

**Report of the Directors and
Unaudited Financial Statements for the Year Ended 31st December 2014
for
Exomedica Ltd**

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Exomedica Ltd

Company Information for the Year Ended 31st December 2014

DIRECTORS:

Michael Herbert
Andrew Newell
Dr Mark Fisher

SECRETARY:

Bury Company Services Ltd

REGISTERED OFFICE:

80 Guildhall Street
Bury St Edmunds
Suffolk
IP33 1QB

REGISTERED NUMBER:

05044775

ACCOUNTANTS:

Waller Wilson & Co
Chartered Accountants
The Forge Cottage
2 High Street
Mildenhall
Bury St Edmunds
Suffolk
IP28 7EJ

Exomedica Ltd (Registered number: 05044775)

**Report of the Directors
for the Year Ended 31st December 2014**

The directors present their report with the financial statements of the company for the year ended 31st December 2014.

PRINCIPAL ACTIVITY

The company develops innovations in medical technology.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2014 to the date of this report.

Michael Herbert
Andrew Newell
Dr Mark Fisher

DIRECTORS LIABILITY INSURANCE

Liability insurance has been purchased for the directors.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

Michael Herbert - Director

29th September 2015

**Chartered Accountants' Report to the Board of Directors
on the Unaudited Financial Statements of
Exomedica Ltd**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Exomedica Ltd for the year ended 31st December 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at icaew.com/membershandbook.

This report is made solely to the Board of Directors of Exomedica Ltd, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Exomedica Ltd and state those matters that we have agreed to state to the Board of Directors of Exomedica Ltd, as a body, in this report in accordance with AAF 2/10 as detailed at icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Exomedica Ltd has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Exomedica Ltd. You consider that Exomedica Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Exomedica Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Waller Wilson & Co
Chartered Accountants
The Forge Cottage
2 High Street
Mildenhall
Bury St Edmunds
Suffolk
IP28 7EJ

29th September 2015

Exomedica Ltd (Registered number: 05044775)**Profit and Loss Account
for the Year Ended 31st December 2014**

		2014	2013
	Notes	£	£
TURNOVER		-	-
Administrative expenses		<u>68,992</u>	<u>191,357</u>
OPERATING LOSS	2	<u>(68,992)</u>	<u>(191,357)</u>
Interest payable and similar charges		<u>5,558</u>	<u>7,805</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(74,550)</u>	<u>(199,162)</u>
Tax on loss on ordinary activities	3	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u><u>(74,550)</u></u>	<u><u>(199,162)</u></u>

The notes form part of these financial statements

Exomedica Ltd (Registered number: 05044775)**Balance Sheet
31st December 2014**

	Notes	2014 £	£	2013 £	£
FIXED ASSETS					
Investments	4		783,960		782,816
CURRENT ASSETS					
Debtors	5	1,953		5,711	
Cash at bank		<u>4,903</u>		<u>11,030</u>	
		6,856		16,741	
CREDITORS					
Amounts falling due within one year	6	<u>644,191</u>		<u>578,382</u>	
NET CURRENT LIABILITIES			<u>(637,335)</u>		<u>(561,641)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>146,625</u>		<u>221,175</u>
CAPITAL AND RESERVES					
Called up share capital	7		301,306		301,306
Share premium	8		3,107,839		3,107,839
Profit and loss account	8		<u>(3,262,520)</u>		<u>(3,187,970)</u>
SHAREHOLDERS' FUNDS			<u>146,625</u>		<u>221,175</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st December 2014.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st December 2014 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and
- (b) which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on 29th September 2015 and were signed on its behalf by:

Michael Herbert - Director

1. ACCOUNTING POLICIES

**Basis of preparing the financial statements
Going Concern**

The directors disclose below the basis on which they have adopted the going concern assumption in preparing the company's financial statements.

The company is dependent on the loans from Boostfocal Ltd and Covelstone Ltd continuing until they can be repaid. The directors remain confident of additional shareholder support to fund the relatively modest ongoing operating costs.

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Preparation of consolidated financial statements

The financial statements contain information about Exomedica Ltd as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken the option under Section 398 of the Companies Act 2006 not to prepare consolidated financial statements.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax assets are only recognised to the extent that it is more likely than not that they will be recovered against future taxable profits. Deferred tax assets and liabilities are not discounted.

Investments

Fixed asset investments are shown at cost less provision for impairment.

2. OPERATING LOSS

The operating loss is stated after charging:

	2014 £	2013 £
Loss on disposal of fixed asset investments	-	40,000
Directors' remuneration and other benefits etc	-	-

3. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31st December 2014 nor for the year ended 31st December 2013.

Factors that may affect future tax charges

Future profits may be affected by the availability of tax losses, which have not been provided for. A deferred tax asset arising on tax losses has not been provided for because, in the opinion of the directors, there will be no suitable taxable profits available in the foreseeable future in order to realise the benefit of these losses.

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2014**

4. FIXED ASSET INVESTMENTS

	2014	2013
	£	£
Subsidiary undertakings	75,062	75,062
Associates	537,298	536,154
Other investments	171,600	171,600
	<u>783,960</u>	<u>782,816</u>

The company had investments at the year end in the following subsidiary undertakings, associates and other investments. All investments are unlisted.

Subsidiary undertakings	Country of incorporation	Principal activity	Holding: class of shares	Equity% holding
Endoguard Ltd	United Kingdom	Developing methods for the maintenance of endoscopic lenses	Ordinary	60
Exomedica Management Services Ltd	United Kingdom	Corporate director	Ordinary	100

Aggregate capital and reserves	2014	2013
	£	£
Endoguard Ltd	4,134	(3,741)
Exomedica Management Services Ltd	2	2
Profit/(Loss) for the year	2014	2013
	£	£
Endoguard Ltd	7,875	(405)
Exomedica Management Services Ltd	-	-

The year end for Endoguard Ltd was 31 December, and for Exomedica Management Services it was 30 June.

4. FIXED ASSET INVESTMENTS - continued

Associates	Country of incorporation	Principal activity	Holding: class of shares	Equity% holding
Cipher Surgical Ltd	United Kingdom	Develop, innovate and commercialise endoscopic device	Ordinary and B ordinary	13.5
Attomarker Ltd	United Kingdom	Medical software development and micro assay technology	Ordinary	11.4
Zilico Ltd	United Kingdom	Innovations for the detection of cancerous growth	Preferred ordinary	11.2
Aggregate capital and reserves			2014 £	2013 £
Cipher Surgical Ltd			443,251	838,422
Attomarker Ltd			1,708	8,193
Zilico Ltd			845,523	878,392
Profit/(Loss) for the year			2014 £	2013 £
Cipher Surgical Ltd			(1,009,790)	(859,122)
Attomarker Ltd			(16,494)	(8,261)
Zilico Ltd			(626,406)	(909,895)

The company year end for the above disclosures was 31 December, except for Cipher Surgical Ltd where the year end was 31 July. Cipher Surgical Ltd, Zilico Ltd and Attomarker Ltd are included as associated companies although the equity shareholdings are less than 20%. This is because arrangements in place give Exomedica Ltd significant influence over these companies such that the directors consider they are associated.

Other investments	Country of incorporation	Principal activity	Holding: class of shares	Equity % holding
Fertility Focus Ltd	United Kingdom	Development of innovations in fertility diagnostics based on existing patent	Ordinary and A ordinary	6.5
Diamatrix Ltd	United Kingdom	Creating new platform technology for the manufacture of immunoassay diagnostics	Preferred Ordinary	9.96

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2014**

4. FIXED ASSET INVESTMENTS - continued

Subsidiary undertakings

Cost

At 1 January 2014 and 31 December 2014

£

75,062

Provisions for impairment

At 1 January 2014 and 31 December 2014

-

Net book value

At 31 December 2014 and 31 December 2013

75,062

Associates

Cost

At 1 January 2014

721,027

Additions

1,144

At 31 December 2014

722,171

Provisions for impairment

At 1 January 2014 and 31 December 2014

184,873

Net book value

At 31 December 2014

537,298

At 31 December 2013

536,154

Other investments

Cost

At 1 January 2014 and 31 December 2014

1,098,785

Provisions for impairment

At 1 January 2014 and 31 December 2014

927,185

Net book value

At 31 December 2014 and 31 December 2013

171,600

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Amounts owed by group undertakings	-	3,500
Other debtors	1,953	2,211
	<u>1,953</u>	<u>5,711</u>

**Notes to the Financial Statements - continued
for the Year Ended 31st December 2014**

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Trade creditors	886	1,165
Amounts owed to group undertakings	2,250	-
Amounts owed to participating interests	285	815
Taxation and social security	180	-
Other creditors	<u>640,590</u>	<u>576,402</u>
	<u>644,191</u>	<u>578,382</u>

7. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2014	2013
Number:	Class:		£	£
2,050,557	Ordinary	1p	20,506	20,506
1,170,000	Preference	24p	<u>280,800</u>	<u>280,800</u>
			<u>301,306</u>	<u>301,306</u>

8. RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1st January 2014	(3,187,970)	3,107,839	(80,131)
Deficit for the year	<u>(74,550)</u>		<u>(74,550)</u>
At 31st December 2014	<u>(3,262,520)</u>	<u>3,107,839</u>	<u>(154,681)</u>

9. RELATED PARTY DISCLOSURES

During the year Komerci Associates Ltd, a separate company controlled by a director, Dr Mark Fisher, made consultancy charges to the company totalling £6,000 on normal commercial terms .

The company has a fully drawn loan facility of £360,000 from BoostFocal Ltd. BoostFocal Ltd is a company controlled by a director, Michael Herbert . An annual fee is due of 10% of the balance outstanding at each anniversary date of the first drawdown of the loan. The fee arising in the year has been included in the loan balance outstanding at 31 December 2014 of £579,784 which is included in other creditors. The loan is unsecured and has no fixed repayment date and no interest is charged. In accordance with the loan agreement the terms may be varied at the option of the lender so that the loan is secured by fixed and floating charge over all the company's assets and so that it is interest bearing.

The company had another loan facility granted by Covestone Ltd, a company also controlled by a director, Michael Herbert. This facility is for £60,000. An annual fee is due on each anniversary of the first drawdown of the loan; this fee is 10% of the amount outstanding at the anniversary date. Interest is charged at 10% over NatWest Bank base rate. The loan is unsecured. In accordance with the loan agreement the terms may be varied at the option of the lender so that the loan is secured by fixed and floating charge over all the company's assets. The amount due at the year end was £57,237 which is included in other creditors.

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