

QNOSTICS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
FILLETTED ACCOUNTS

On 11th, Registered Office, Edinburgh (2017-18)

QNSTICS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

FILLETTED ACCOUNTS



SCT 29/09/2017 #404
COMPANIES HOUSE

QNOSTICS LIMITED

COMPANY INFORMATION

Directors Dr Paul Wallace
Dr Antonius Van Loon

Secretary MBM Secretarial Services Limited

Company number SC257629

Registered office Block1 Todd Campus
West of Scotland Science Park
Glasgow
G20 0XA

Auditor Mazars LLP
90 St. Vincent Street
Glasgow
G2 5UB

Business address Block1 Todd Campus
West of Scotland Science Park
Glasgow
G20 0XA

Bankers The Royal Bank of Scotland
15 James Square
Crieff
PH7 3HX

Solicitors MBM Commercial LLP
5th Floor
125 Princes Street
Edinburgh
EH2 4AD

QNOSTICS LIMITED

CONTENTS

	Page
Balance sheet	1
Notes to the financial statements	2 - 8

QNSTICS LTD

CONTENTS

	Page
Balance sheet	1
Notes to the financial statements	2 - 8

QNOSTICS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	4		61,693		53,060
Current assets					
Stocks		168,060		78,494	
Debtors	5	797,334		893,022	
Cash at bank and in hand		371,598		297,285	
		<u>1,336,992</u>		<u>1,268,801</u>	
Creditors: amounts falling due within one year	6	(310,417)		(364,431)	
Net current assets			<u>1,026,575</u>		<u>904,370</u>
Total assets less current liabilities			<u>1,088,268</u>		<u>957,430</u>
Provisions for liabilities	7		(10,122)		(7,909)
Net assets			<u><u>1,078,146</u></u>		<u><u>949,521</u></u>
Capital and reserves					
Called up share capital	8		10,100		10,100
Profit and loss reserves			<u>1,068,046</u>		<u>939,421</u>
Total equity			<u><u>1,078,146</u></u>		<u><u>949,521</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A – small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 29 September 2017 and are signed on its behalf by:



Dr Paul Wallace
Director

Company Registration No. SC257629

QNOSTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Qnostics Limited is a private company limited by shares incorporated in Scotland. The registered office is Block1 Todd Campus, West of Scotland Science Park, Glasgow, G20 0XA.

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 13. The date of transition to FRS 102 is 1 January 2015. The final set of accounts prepared under the previous reporting framework were dated 31 December 2015.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The following principal accounting policies have been applied:

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.3 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Any expenditure that is not utilised against the profit for the year is claimed as R&D tax credit.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

QNOSTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	25% on straight line
Plant and machinery	33% on straight line
Laboratory equipment	10% on straight line

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price including transaction costs.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Classification of financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

QNOSTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, loans from fellow group companies that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised at transaction price.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

QNOSTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.11 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 25 (2015 - 20).

3 Directors' remuneration

	2016 £	2015 £
Remuneration paid to directors	5,820	5,720
Sums paid to third parties for directors' services	-	950

Dividends totalling £0 (2015 - £0) were paid in the year in respect of shares held by the company's directors.

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2015 - 1).

4 Tangible fixed assets

Plant and machinery etc £

Cost

At 1 January 2016	119,183
Additions	24,523
Disposals	(6,729)
At 31 December 2016	136,977

Depreciation and impairment

At 1 January 2016	66,123
Depreciation charged in the year	15,890
Eliminated in respect of disposals	(6,729)
At 31 December 2016	75,284

Carrying amount

At 31 December 2016	61,693
At 31 December 2015	53,060

QNOSTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

5 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	32,686	79,156
Corporation tax recoverable	59,887	27,756
Amounts due from group undertakings	680,775	774,756
Other debtors	23,986	11,354
	<u>797,334</u>	<u>893,022</u>

6 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	92,217	45,609
Other taxation and social security	20,728	13,124
Other creditors	197,472	305,698
	<u>310,417</u>	<u>364,431</u>

7 Provisions for liabilities

	2016 £	2015 £
Deferred tax liabilities	10,122	7,909

8 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2016 £	Liabilities 2015 £
Balances:		
Accelerated capital allowances	10,122	7,909
Movements in the year:		
Liability at 1 January 2016	7,909	
Charge to profit or loss	2,213	
Liability at 31 December 2016	<u>10,122</u>	

QNOSTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

8 Deferred taxation

(Continued)

The deferred tax liability set out above is expected to reverse within 36 months and relates to accelerated capital allowances that are expected to mature within the same period.

9 Called up share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
6,700 ordinary shares of £1 each	6,700	6,700
2,300 A ordinary shares of £1 each	2,300	2,300
1,000 B ordinary shares of £1 each	1,000	1,000
	<u>10,000</u>	<u>10,000</u>
Preference share capital		
Issued and fully paid		
100 preference shares of £1 each	100	100
	<u>100</u>	<u>100</u>

10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Fiona Martin

The audit report was signed on 29 September 2017

11 Related party transactions

The Company has taken advantage of the exemption within FRS 102 not to disclose transactions entered into by two or more wholly owned members of a Group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

12 Parent company

The ultimate parent undertaking is TQ360 Limited, a company incorporated in Scotland.

In the opinion of the directors, the controlling parties are Dr P Wallace and Dr A Van Loon.

QNOTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

13 Reconciliations on adoption of FRS 102

Reconciliation of equity

	1 January 2015 £	31 December 2015 £
Equity as reported under previous UK GAAP and under FRS 102	886,304	949,521

Reconciliation of profit for the financial period

	2015 £
Profit as reported under previous UK GAAP and under FRS 102	63,217

Notes to reconciliations on adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.