

REGISTERED NUMBER: SC297009 (Scotland)

Abbreviated Accounts for the Year Ended 31 July 2014

for

Mode Diagnostics Limited

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Mode Diagnostics Limited (Registered number: SC297009)

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for the year ended 31 July 2014

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Mode Diagnostics Limited

Company Information *for the year ended 31 July 2014*

DIRECTORS:

G Paterson
Dr H M Shaw
IP2IPO Services Limited
Dr J Brown

SECRETARY:

G Paterson

REGISTERED OFFICE:

Centre for Integrated Diagnostic Systems
Thomson Building
University of Glasgow
Glasgow
Lanarkshire
G12 8QQ

REGISTERED NUMBER:

SC297009 (Scotland)

ACCOUNTANTS:

Atraxa Consulting Limited
Brooke's Mill
Armitage Bridge
Huddersfield
West Yorkshire
HD4 7NR

Mode Diagnostics Limited (Registered number: SC297009)

Abbreviated Balance Sheet

31 July 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Tangible assets	2	44,694	13,844
Investments	3	-	-
		<u>44,694</u>	<u>13,844</u>
CURRENT ASSETS			
Stocks		19,463	-
Debtors		61,984	17,409
Cash at bank		387,651	238,407
		<u>469,098</u>	<u>255,816</u>
CREDITORS			
Amounts falling due within one year		66,507	106,384
		<u>66,507</u>	<u>106,384</u>
NET CURRENT ASSETS		<u>402,591</u>	<u>149,432</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>447,285</u>	<u>163,276</u>
CAPITAL AND RESERVES			
Called up share capital	4	1,025	775
Share premium		2,896,453	2,017,175
Profit and loss account		(2,450,193)	(1,854,674)
SHAREHOLDERS' FUNDS		<u>447,285</u>	<u>163,276</u>

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

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

The directors acknowledge their responsibilities for:

- 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 which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The notes form part of these abbreviated accounts

Mode Diagnostics Limited (Registered number: SC297009)

Abbreviated Balance Sheet - continued

31 July 2014

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 27 FEBRUARY 2015 and were signed on its behalf by:



G Paterson - Director

The notes form part of these abbreviated accounts

Mode Diagnostics Limited (Registered number: SC297009)

Notes to the Abbreviated Accounts *for the year ended 31 July 2014*

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared on the going concern basis which assumes that the company will have sufficient financial resources available to enable it to continue to trade for the foreseeable future.

The company is still in its early stages of research and development activity and has made a loss of £595,519 in the year ended 31 July 2014 and further losses post year end. At 31 July 2014 the company had net assets of £447,285 and a cash balance of £387,651.

To date, the company has been financed by the issue of equity, shareholder loans, sales revenue and grant income. The company does not have any agreed bank overdraft or other borrowing facilities.

During the year the company raised £850,000 from the issue of new shares and also converted a shareholder loan of £51,102 into equity shares. The investment agreement contains provisions for further tranches of investment funding that the company can draw down, conditional upon achieving certain agreed milestones. The directors are confident that the company will achieve the agreed milestones. Subsequent to the year end, the company has received further funding of £157,773 in the form of convertible loans from its shareholders. In addition, on 27 February 2015, the company raised further funding of £601,000 from the issue of new equity shares, which included subscriptions from some of the existing shareholders.

Additionally, the directors expect to generate new sales revenues during the next 12 months and are confident that operating costs can also be carefully controlled to minimise cash outflows during the next 12 months.

The directors are therefore confident that the company will have sufficient cash resources to enable it to continue to operate for at least 12 months from the date of approval of these financial statements. Consequently, they believe that it is appropriate for the financial statements to be prepared on the going concern basis.

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 Mode Diagnostics Limited 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.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc - 33% on cost and 20% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Notes to the Abbreviated Accounts - continued
for the year ended 31 July 2014

1. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis. Deferred tax assets are recognised only to the extent that it is expected that they will be able to be utilised against future profits.

Research and development

Research expenditure undertaken with the prospect of gaining new scientific or technical knowledge and understanding is recognised in the profit and loss account as an expense as incurred.

Expenditure on development activities, whereby research findings are applied for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the company has sufficient resources to complete development. Amortisation is charged to the profit and loss account on a straight line basis over the useful economic life of the activity.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company makes contributions to private pension arrangements on behalf of certain individual employees. These contributions are charged to the profit and loss account in the period to which they relate.

Grants

Grants receivable in connection with expenditure on tangible fixed assets are accounted for as deferred income, which is credited to the profit and loss account over the estimated useful economic life of the related assets on a basis consistent with the depreciation policy. Revenue grants for the reimbursement of costs charged to the profit and loss account are credited to the profit and loss account in the year in which the costs are incurred.

2. TANGIBLE FIXED ASSETS

	Total £
COST	
At 1 August 2013	29,147
Additions	38,056
	<hr/>
At 31 July 2014	67,203
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DEPRECIATION	
At 1 August 2013	15,303
Charge for year	7,206
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At 31 July 2014	22,509
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NET BOOK VALUE	
At 31 July 2014	44,694
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At 31 July 2013	13,844
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Mode Diagnostics Limited (Registered number: SC297009)

Notes to the Abbreviated Accounts - continued for the year ended 31 July 2014

3. FIXED ASSET INVESTMENTS

The company's investments at the balance sheet date in the share capital of companies include the following:

Mode Health Limited

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

During the year the company established a subsidiary undertaking, Mode Health Limited, with an initial share capital of 1 ordinary share of £0.01. This subsidiary has not traded since incorporation.

4. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2014 £	2013 £
774,922	Ordinary	0.1p	775	775
44,296	A Ordinary	0.1p	44	-
206,006	A Preferred	0.1p	206	-
			<u>1,025</u>	<u>775</u>

On 31 January 2014, the company issued 44,296 A Ordinary Shares of £0.001 each at a price of £3.60 per share for total cash consideration of £159,466.

On the same day, the company issued 14,195 A Preferred Shares of £0.001 each at a price of £3.60 per share in consideration for the capitalisation of a shareholder loan amounting to £51,102. A further 191,811 A Preferred Shares of £0.001 each were issued at a price of £3.60 per share for total cash consideration of £690,520.

5. RELATED PARTY DISCLOSURES

The University of Glasgow

Parent undertaking of a shareholder, GU Holdings Ltd

The company received invoices for rent and associated costs from the University of Glasgow totalling £17,350 (2013: £3,095). In addition the company had accrued £7,853 (2013: £7,926) for rent charges not invoiced by the University of Glasgow at the year end.

	2014 £	2013 £
Amount due from related party at the balance sheet date	<u>1,539</u>	<u>-</u>

IP2IPO Limited

Shareholder

Recruitment expenses, office costs and travel expenses totalling £7,608 (2013: Investment monitoring fees and office running costs totalling £6,364) were recharged by IP2IPO Limited.

	2014 £	2013 £
Amount due to related party at the balance sheet date	<u>-</u>	<u>2,147</u>

Mode Diagnostics Limited (Registered number: SC297009)

Notes to the Abbreviated Accounts - continued
for the year ended 31 July 2014

5. RELATED PARTY DISCLOSURES - continued

Balgonie Ventures Ltd

Controlled by Mr G Paterson, a company director

Director fees of £nil (2013: £1,400) were charged to the company by Balgonie Ventures Ltd.

Techtran Group Ltd

Connected to IP2IPO Limited, a shareholder

Business support fees and office running costs totalling £10,219 (2013: £6,794) were recharged to the company by Techtran Group Limited.

	2014	2013
	£	£
Amount due to related party at the balance sheet date	<u>315</u>	<u>1,589</u>

Four Shaw Consulting Ltd

Controlled by Dr HM Shaw, a company director

Travel expenses totalling £2,021 (2013: Director's fees and travel expenses totalling £9,592) were charged to the company by Four Shaw Consulting Ltd.

	2014	2013
	£	£
Amount due to related party at the balance sheet date	<u>-</u>	<u>278</u>

Scottish Enterprise

A shareholder

Board monitoring fees and recharged conference costs of £5,313 (2013: £6,700) were charged to the company during the year. In addition the company accrued for £nil (2013: £833) of board monitoring fees not invoiced at the year end.