

Company registration number 10578025 (England and Wales)

MINDTRACE LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024
PAGES FOR FILING WITH REGISTRAR

MINDTRACE LIMITED

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MINDTRACE LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	3		6,461		18,322
Investments	4		789		789
			<u>7,250</u>		<u>19,111</u>
Current assets					
Debtors	5	626,632		690,373	
Cash at bank and in hand		15,272		773,453	
		<u>641,904</u>		<u>1,463,826</u>	
Creditors: amounts falling due within one year	6	(745,170)		(186,090)	
Net current (liabilities)/assets			<u>(103,266)</u>		<u>1,277,736</u>
Total assets less current liabilities			<u>(96,016)</u>		<u>1,296,847</u>
Capital and reserves					
Called up share capital	8		514		513
Share premium account			6,968,141		6,968,141
Other reserves			50,709		141
Profit and loss reserves			<u>(7,115,380)</u>		<u>(5,671,948)</u>
Total equity			<u>(96,016)</u>		<u>1,296,847</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 September 2024 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the 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 26 June 2025 and are signed on its behalf by:

Mr H Chung
Director

Company Registration No. 10578025

MINDTRACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies

Company information

Mindtrace Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Copper Room, Deva City Office Park, Trinity Way, Manchester, M3 7BG.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The Financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertakings comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 399 of the Companies Act 2006 not to prepare group accounts.

1.2 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for subscriptions and project income, stated net of discounts and Value Added Tax.

Turnover relating to project work is recognised over the period of the project and any amount relating to the period after the year end is carried forward as deferred income in creditors.

1.3 Research and development expenditure

Research and development expenditure is written off against profits in the year in which it is incurred.

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.

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% Straight Line
Computers	33% Straight Line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

MINDTRACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies

(Continued)

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 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 initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

MINDTRACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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 initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 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 goodwill or 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, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. 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.

1.10 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.

MINDTRACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies

(Continued)

1.11 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.13 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 in the period are included in profit or loss.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2024 Number	2023 Number
Total	17	25
	==	==

MINDTRACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

3 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 October 2023	137,209
Additions	1,139
	<u> </u>
At 30 September 2024	138,348
	<u> </u>
Depreciation and impairment	
At 1 October 2023	118,887
Depreciation charged in the year	13,000
	<u> </u>
At 30 September 2024	131,887
	<u> </u>
Carrying amount	
At 30 September 2024	6,461
	<u> </u>
At 30 September 2023	18,322
	<u> </u>

4 Fixed asset investments

	2024 £	2023 £
Shares in group undertakings and participating interests	789	789
	<u> </u>	<u> </u>

5 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	-	61,500
Corporation tax recoverable	584,995	303,733
Amounts owed by group undertakings	-	274,802
Other debtors	41,637	50,338
	<u> </u>	<u> </u>
	626,632	690,373
	<u> </u>	<u> </u>

MINDTRACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

6 Creditors: amounts falling due within one year

	2024 £	2023 £
Bank loans	300,000	-
Trade creditors	130,162	52,814
Amounts owed to group undertakings	7,781	-
Taxation and social security	155,888	34,531
Deferred income	52,598	67,178
Other creditors	7,561	3,752
Accruals	91,180	27,815
	<u>745,170</u>	<u>186,090</u>

7 Share-based payment transactions

The following information is in relation to a combination of a UK EMI scheme, a USA share options scheme, and unapproved share options.

	Number of share options		Weighted average exercise price	
	2024 Number	2023 Number	2024 £	2023 £
Outstanding at 1 October 2023	58,042	66,208	1.85	1.86
Forfeited	(4,300)	(5,819)	1.86	1.86
Exercised	-	(2,347)	-	-
	<u>53,742</u>	<u>58,042</u>	<u>1.86</u>	<u>1.85</u>
Outstanding at 30 September 2024	<u>53,742</u>	<u>58,042</u>	<u>1.86</u>	<u>1.85</u>
Vested at 30 September 2024	<u>53,742</u>	<u>46,992</u>	<u>1.86</u>	<u>1.85</u>

The options outstanding at 30 September 2024 had an exercise price of either £1.69 or £1.86.

Liabilities and expenses

During the year, the company recognised total share-based payment expenses of £50,568 (2023 - £-) which related to equity settled share based payment transactions.

The company did not enter into any share-based payment transactions with parties other than employees and contractors during the current or previous periods.

8 Called up share capital

	2024 Number	2023 Number	2024 £	2023 £
Ordinary share capital				
Issued and fully paid				
Ordinary of 0.1p each	179,672	177,325	180	177
Ordinary A of 0.1p each	334,191	336,538	334	336
	<u>513,863</u>	<u>513,863</u>	<u>514</u>	<u>513</u>

MINDTRACE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2024

9 Operating lease commitments

As lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2024	2023
	£	£
Total commitments	4,000	24,100
	=====	=====

