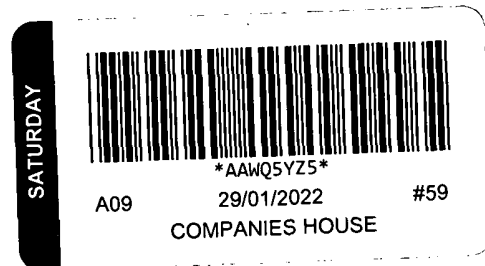


Company Registration No. 03310740 (England and Wales)

WIGMORE MEDICAL LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020



WIGMORE MEDICAL LIMITED

COMPANY INFORMATION

Directors	BL Eghiayan J Burr R Eghiayan K Kasparian M Avedissian
Secretary	BL Eghiayan
Company number	03310740
Registered office	23 Wigmore Street London W1U 1PL
Auditor	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London EC4A 4AB United Kingdom
Bankers	The Royal Bank of Scotland P.O.Box 412 62/63 Threadneedle Street London EC2R 8LA

WIGMORE MEDICAL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the strategic report for the year ended 31 December 2020.

The directors continue to invest both time and resources in the group and have been rewarded with continued growth in all areas of the business. We are also looking for opportunities to invest in new business that will add to our current group, whilst consolidating the positive position of the group balance sheet.

Fair review of the business

Management consider turnover and gross profit to be the key performance indicators within the group.

Group turnover for the year was £41,249,540 (2019: £47,183,164) a decrease of 12% on 2019 and the gross profit was £10,176,868 (2019: £9,523,580) up 7% on the level achieved in 2019. The decrease in turnover was driven by the global pandemic in 2020 and the effects from the initial lockdown from March of last year. During this period the company was able to carry on trading, but adapted its selling processes and thus experienced an increase in skincare sales which attracts higher gross profit and this trend continued throughout the year, thus leading to the higher gross profit figure in the year. Working practises were also adopted during the lockdown, to a mixture of onsite working and working from home, to ensure a continued level of high service was still given. The group saw turnover recover during the course of the year as lockdown eased with demand for toxin and filler products recovering quickly post lockdown.

Group staff numbers remained nearly static, increasing to 213 from 212 in 2019, and profitability remained strong.

Profit before tax was £1,275,826 (2019: £2,476,081) and the good performance in the year was reflected in the increase in total equity to £8,076,609. Fixed assets decreased by £1,421,293 during the year as investments were transferred out of the group and stock at the year end was £2,861,195 (2019: £2,793,223). Cash and bank balances decreased during the year to £4,104,051 (2019: £4,894,759) but this was offset by the increase in debtors to £7,687,809 (2019: £5,189,940). The group was also able to bring down its liabilities, with creditors being £7,583,606 (2019: £8,199,157) due to better stock control and purchasing processes.

The Clinic in Armenia and operations at Wigmore Medical France performed well, even whilst the global lockdown was ongoing.

The group underwent a period of restructure starting 2020 and ending post balance sheet date. Shares in two group entities were transferred to a fellow group entity to enable the company to fully concentrate on its principal selling activities.

In 2021 the aim was to continue increasing the group's core markets in skincare and the toxin and filler sector whilst controlling costs and continuing to support a strong balance sheet with sufficient cash reserves.

Principal risks and uncertainties

The principal risks to our Aesthetic, Medical and Beauty businesses come from current competitors trying to increase market share or manufacturers entering the wholesale market or restricting product availability. The directors are aware of the risks so ensure that our service is to the highest level possible and our pricing is competitive.

WIGMORE MEDICAL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Future developments

The directors will continue to invest in the group and expect group profits to be improved in 2021 after taking in the effects of a surge in demand after the ending of lockdown although being mindful of the ongoing coronavirus pandemic. Turnover is expected to be better than that achieved in 2020 with very strong skincare sales in the UK and following reorganisation of its investments, concentrating on its core UK business.

The group is dedicated to providing the highest possible level of service to its customers and will continue to invest in its staff and infrastructure to ensure a motivated and committed team.

In July 2021, the company changed the way it sells certain products from a key supplier which represents approximately 25% of the company's annual revenue. The company will in future act as a sales agent rather than as a sales distributor and will no longer hold stock of these products on its balance sheet. The company will continue to sell the products at the same level and continues to be responsible for growing market share. The change in relationship with the supplier has resulted in a significant drop in gross revenue recorded by the company and a corresponding drop in cost of sales.

On behalf of the board



J Burr
Director

Date: 28/01/2022

WIGMORE MEDICAL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and financial statements for the year ended 31 December 2020.

Principal activities

The principal activity of the company and group continued to be that of pharmaceutical wholesalers, distributors of aesthetic products and the purchase and resale of medical devices and spa and medical consultancy. Up until September 2020, the group also operated a private medical clinic in Armenia.

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

BL Eghiayan
J Burr
R Eghiayan
K Kasparian
M Avedissian

Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Energy and carbon reporting

As the group has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the strategic report.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



.....
J Burr
Director

Date: 28/01/2022

WIGMORE MEDICAL LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WIGMORE MEDICAL LIMITED

Opinion

We have audited the financial statements of Wigmore Medical Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WIGMORE MEDICAL LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WIGMORE MEDICAL LIMITED (CONTINUED)

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and UK tax compliance. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, assessing accounting policies for compliance with the reporting framework, and agreeing tax calculations to supporting documentation.

The most significant laws and regulations that have an indirect impact on the financial statements are in relation to health and safety. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these law and regulations and reviewed legal expenditure for evidence of unrecorded disputes or breaches.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Christopher Tate

Christopher Tate (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB
United Kingdom
28 January 2022

WIGMORE MEDICAL LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	41,249,540	47,183,364
Cost of sales		(31,072,672)	(37,659,784)
Gross profit		10,176,868	9,523,580
Administrative expenses		(9,464,295)	(7,291,720)
Other operating income		561,430	247,345
Operating profit	6	1,274,003	2,479,205
Interest receivable and similar income	8	2,788	13,874
Interest payable and similar expenses	9	(965)	(16,998)
Profit before taxation		1,275,826	2,476,081
Tax on profit	10	(423,103)	(484,767)
Profit for the financial year		852,723	1,991,314
Profit for the financial year is attributable to:			
- Owners of the parent company		852,723	1,961,924
- Non-controlling interests		-	29,390
		852,723	1,991,314
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		852,723	1,961,924
- Non-controlling interests		-	29,390
		852,723	1,991,314

WIGMORE MEDICAL LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2020**

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	11	1,052,089		2,473,382	
Investments	12	50,670		82,960	
		<u>1,102,759</u>		<u>2,556,342</u>	
Current assets					
Stocks	14	2,861,195		2,793,223	
Debtors	15	7,687,809		5,189,940	
Cash at bank and in hand		4,104,051		4,894,759	
		<u>14,653,055</u>		<u>12,877,922</u>	
Creditors: amounts falling due within one year	16	(7,583,606)		(8,199,157)	
Net current assets		<u>7,069,449</u>		<u>4,678,765</u>	
Total assets less current liabilities		<u>8,172,208</u>		<u>7,235,107</u>	
Provisions for liabilities	18	(95,599)		(99,666)	
Net assets		<u>8,076,609</u>		<u>7,135,441</u>	
Capital and reserves					
Called up share capital	20	10,000		10,000	
Other reserves		15,660		(72,785)	
Profit and loss reserves	21	8,050,949		7,423,767	
		<u>8,076,609</u>		<u>7,360,982</u>	
Equity attributable to owners of the parent company		<u>8,076,609</u>		<u>7,360,982</u>	
Non-controlling interests		-		(225,541)	
		<u>8,076,609</u>		<u>7,135,441</u>	

The financial statements were approved by the board of directors and authorised for issue on 28/01/2022 and are signed on its behalf by:

J Burr
Director

WIGMORE MEDICAL LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	11	891,685		972,452	
Investments	12	915,260		1,349,802	
		<u>1,806,945</u>		<u>2,322,254</u>	
Current assets					
Stocks	14	2,800,416		2,369,455	
Debtors	15	7,103,752		6,451,556	
Cash at bank and in hand		3,579,526		4,443,031	
		<u>13,483,694</u>		<u>13,264,042</u>	
Creditors: amounts falling due within one year	16	<u>(6,374,998)</u>		<u>(7,403,620)</u>	
Net current assets		<u>7,108,696</u>		<u>5,860,422</u>	
Total assets less current liabilities		<u>8,915,641</u>		<u>8,182,676</u>	
Provisions for liabilities	18	<u>(95,599)</u>		<u>(92,320)</u>	
Net assets		<u><u>8,820,042</u></u>		<u><u>8,090,356</u></u>	
Capital and reserves					
Called up share capital	20	10,000		10,000	
Profit and loss reserves	21	8,810,042		8,080,356	
Total equity		<u><u>8,820,042</u></u>		<u><u>8,090,356</u></u>	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's profit for the year was £729,686 (2019 - £1,771,707 profit).

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


J Burr
Director

28/01/2022

WIGMORE MEDICAL LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital £	Other reserves £	Profit and loss reserves £	Total controlling interest £	Non- controlling interest £	Total £
Balance at 1 January 2019	10,000	139,074	5,461,843	5,610,917	(254,931)	5,355,986
Year ended 31 December 2019:						
Profit and total comprehensive income for the year	-	-	1,961,924	1,961,924	29,390	1,991,314
Other movements	-	(211,859)	-	(211,859)	-	(211,859)
Balance at 31 December 2019	10,000	(72,785)	7,423,767	7,360,982	(225,541)	7,135,441
Year ended 31 December 2020:						
Profit and total comprehensive income for the year	-	-	852,723	852,723	-	852,723
Purchase of shares in subsidiary from non-controlling interest	-	-	(39,211)	(39,211)	39,211	-
Disposal of shares in subsidiary to non-controlling interest	-	-	(186,330)	(186,330)	186,330	-
Other movements	-	88,445	-	88,445	-	88,445
Balance at 31 December 2020	10,000	15,660	8,050,949	8,076,609	-	8,076,609

WIGMORE MEDICAL LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2019	10,000	6,308,649	6,318,649
Year ended 31 December 2019:			
Profit and total comprehensive income for the year	-	1,771,707	1,771,707
Balance at 31 December 2019	10,000	8,080,356	8,090,356
Year ended 31 December 2020:			
Profit and total comprehensive income for the year	-	729,686	729,686
Balance at 31 December 2020	10,000	8,810,042	8,820,042

WIGMORE MEDICAL LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	22		(1,997,173)		4,468,785
Interest paid			(965)		(7,750)
Income taxes paid			(266,937)		(393,812)
Net cash (outflow)/inflow from operating activities			(2,265,075)		4,067,223
Investing activities					
Purchase of tangible fixed assets		(39,898)		(405,352)	
Proceeds on disposal of tangible fixed assets		1,591,028		-	
Proceeds on disposal of subsidiaries		32,290		-	
Proceeds from other investments and loans		20,000		-	
Interest received		2,788		3,231	
Net cash generated from/(used in) investing activities			1,606,208		(402,121)
Financing activities					
Dividends paid to equity shareholders		-		(600,000)	
Net cash used in financing activities			-		(600,000)
Net (decrease)/increase in cash and cash equivalents			(658,867)		3,065,102
Cash and cash equivalents at beginning of year			4,674,473		1,821,228
Effect of foreign exchange rates			88,445		(211,857)
Cash and cash equivalents at end of year			4,104,051		4,674,473
Relating to:					
Cash at bank and in hand			4,104,051		4,894,759
Bank overdrafts included in creditors payable within one year			-		(220,286)

WIGMORE MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Wigmore Medical Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 23 Wigmore Street, London, W1U 1PL.

The group consists of Wigmore Medical Limited, all of its subsidiaries and the group's share of associated companies.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under historical cost convention.

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 company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

Basis of consolidation

The consolidated financial statements incorporate those of Wigmore Medical Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

WIGMORE MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

Going concern

During the year the Group made a profit of £852,723 (2019: £1,991,314). At the balance sheet date the Group had net assets of £8,076,609 (2019: £7,135,441) and net current assets of £7,069,449 (2019: £4,678,765) including cash at bank and in hand of £4,104,051 (2019: £4,894,759).

The coronavirus (Covid-19) outbreak has had an impact on the business. Trading was significantly reduced during the lockdown period from March 2020 to June 2020 but did recover quickly thereafter. The group was able to utilise its existing cash balances and facilities to trade through this period as well as implementing various measures such as better stock purchasing and management, limiting orders going out on credit and arranging supplier payment plans. The company also accessed Government reliefs including the Coronavirus Job Retention Scheme and rates reliefs. Since the lockdown period has eased, the group has seen trade significantly increase in excess of Covid-19 adjusted forecasts and has been able to build the available cash balances to pre-coronavirus levels. The current cash position and the resilience shown by the group during 2020 provide the directors with sufficient comfort that the group could continue to trade through additional lockdown periods in the future at a level which would not adversely impact the going concern position of the group.

After reviewing the Company and Group's forecasts and projections, the Directors have a reasonable expectation that the Company has adequate resources to continue for the foreseeable future.

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 it is probable will be recovered.

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:

Leasehold land and buildings	Over the unexpired lease term or life of assets if shorter
Leasehold improvements	Over the unexpired lease term or life of assets if shorter
Fixtures, fittings and equipment	15% reducing balance
Computer equipment	25% reducing balance

WIGMORE MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

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.

Fixed asset investments

In the separate accounts of the company, 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.

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

Undertakings in which the group has significant influence (i.e. the power to participate in the financial and operating policy decisions but not control or joint control over those policies) are classified as associates. The group's share of the results, other comprehensive income and equity of associates are accounted for using the equity method based on the associate's financial statements to 31 December.

Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill.

All unrealised profit or losses on transactions with the associate are eliminated to the extent of the group's interest, except where unrealised losses provide evidence of an impairment. Where necessary, adjustments are made to bring the accounting policies of the associate into line with those used by the group.

Dividends received from the associate reduce the carrying amount of the investment.

Losses in an associate that reduce the carrying amount of the investment in the associate to below zero are not recognised, but a provision is recognised to the extent that the group has an obligation or has made payments on behalf of the associate.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

Impairment of fixed assets

At each reporting period end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

WIGMORE MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

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.

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 cost and replacement 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.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments 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.

Financial instruments

The group 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 when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 trade and other 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

WIGMORE MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other 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.

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

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the group are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

WIGMORE MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

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.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

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 leased asset are consumed.

WIGMORE MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

	2020	2019
	£	£
Turnover analysed by class of business		
Aesthetics	35,994,694	43,521,611
Pharmacy & Doctors dispensary	1,312,768	1,778,003
Export	2,591,527	115,528
Clinic	1,350,551	1,768,222
	<u>41,249,540</u>	<u>47,183,364</u>
	2020	2019
	£	£
Other revenue		
Interest income	2,788	13,874
Grants received	116,788	-
	<u></u>	<u></u>

WIGMORE MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

3 Turnover and other revenue (Continued)

	2020 £	2019 £
Turnover analysed by geographical market		
United Kingdom	33,943,833	41,217,926
Rest of Europe	7,208,016	5,078,998
Middle East	6,962	3,007
Rest of World	90,729	883,433
	<u>41,249,540</u>	<u>47,183,364</u>

4 Employees

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

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Office and management	29	15	11	11
Selling, distribution and hospital staff	184	197	58	55
Total	<u>213</u>	<u>212</u>	<u>69</u>	<u>66</u>

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	3,458,507	3,338,294	3,226,271	2,397,497
Social security costs	363,027	294,382	341,171	244,620
Pension costs	121,220	102,062	102,280	102,062
	<u>3,942,754</u>	<u>3,734,738</u>	<u>3,669,722</u>	<u>2,744,179</u>

5 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	735,462	471,369
Company pension contributions to defined contribution schemes	13,500	23,285
	<u>748,962</u>	<u>494,654</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2019 - 3).

WIGMORE MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

5 Directors' remuneration (Continued)

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2020 £	2019 £
Remuneration for qualifying services	235,618	150,949
Company pension contributions to defined contribution schemes	8,250	6,750
	<u>243,868</u>	<u>157,700</u>

6 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	30,446	11,728
Government grants	(116,788)	-
Depreciation of owned tangible fixed assets	120,163	331,877
Profit on disposal of tangible fixed assets	(250,000)	-
Operating lease charges	421,273	257,838
	<u>105,134</u>	<u>601,443</u>

7 Auditor's remuneration

	2020 £	2019 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	43,500	40,000
Audit of the financial statements of the company's subsidiaries	6,500	4,000
	<u>50,000</u>	<u>44,000</u>

8 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	2,788	13,874
	<u>2,788</u>	<u>13,874</u>

9 Interest payable and similar expenses

	2020 £	2019 £
Interest on bank overdrafts and loans	-	16,998
Other interest on financial liabilities	453	-
Other interest	512	-
	<u>965</u>	<u>16,998</u>
Total finance costs	<u>965</u>	<u>16,998</u>

WIGMORE MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

10 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	397,056	425,920
Adjustments in respect of prior periods	6,154	-
Double tax relief	-	55,429
Other taxes	16,614	-
Total current tax	419,824	481,349
Deferred tax		
Origination and reversal of timing differences	3,885	3,418
Adjustment in respect of prior periods	(606)	-
Total deferred tax	3,279	3,418
Total tax charge	423,103	484,767

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	1,275,826	2,476,081
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	242,407	470,455
Tax effect of expenses that are not deductible in determining taxable profit	169,577	16,912
Tax effect of income not taxable in determining taxable profit	(12,648)	-
Adjustments in respect of prior years	-	(85)
Group relief	(787)	-
Permanent capital allowances in excess of depreciation	-	5,161
Under/(over) provided in prior years	6,154	-
Deferred tax adjustments in respect of prior years	(606)	-
Remeasurement of deferred tax	10,790	(7,676)
Fixed asset differences	5,535	-
Other	2,681	-
Taxation charge	423,103	484,767

WIGMORE MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

11 Tangible fixed assets

Group	Leasehold land and buildings	Leasehold improvements	Fixtures, fittings and equipment	Computer equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2020	145,000	2,049,104	1,095,991	844,414	4,134,509
Additions	-	814	8,231	30,853	39,898
Disposals	-	(704,467)	(1,014,677)	(24,047)	(1,743,191)
At 31 December 2020	145,000	1,345,451	89,545	851,220	2,431,216
Depreciation and impairment					
At 1 January 2020	115,880	529,357	356,791	659,099	1,661,127
Depreciation charged in the year	2,289	59,397	5,440	53,037	120,163
Eliminated in respect of disposals	-	(80,328)	(303,513)	(18,322)	(402,163)
At 31 December 2020	118,169	508,426	58,718	693,814	1,379,127
Carrying amount					
At 31 December 2020	26,831	837,025	30,827	157,406	1,052,089
At 31 December 2019	29,120	1,519,747	739,200	185,315	2,473,382
Company					
	Leasehold land and buildings	Leasehold improvements	Fixtures, fittings and equipment	Computer equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2020	145,000	1,187,129	81,313	814,734	2,228,176
Additions	-	814	8,231	28,818	37,863
At 31 December 2020	145,000	1,187,943	89,544	843,552	2,266,039
Depreciation and impairment					
At 1 January 2020	115,881	449,028	53,278	637,537	1,255,724
Depreciation charged in the year	2,289	59,397	5,440	51,504	118,630
At 31 December 2020	118,170	508,425	58,718	689,041	1,374,354
Carrying amount					
At 31 December 2020	26,830	679,518	30,826	154,511	891,685
At 31 December 2019	29,119	738,101	28,035	177,197	972,452

WIGMORE MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

12 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	13	50,670	82,960	915,260	1,349,802

At 31 December 2020, the capital and reserves of Wigmore Medical France was £386,887 (2019: £232,601) and its profit for the year then ended was £171,117 (2019: £435,020).

At 31 December 2020 the capital and reserves of Clinic Solutions Limited is a deficit of £109,975 and its loss for the year then ended was £30,052.

On 28 September 2020, the company sold its holdings in Arphamacia CJSC to a fellow subsidiary for the consideration of £82,826.

On 28 September 2020, the company sold its holdings in Wigmore Clinic CJSC to a fellow subsidiary for the consideration of £402,388.

On 30 November 2020, the company sold its 49% holding in Invasix UK Limited to its parent company for £49.

In December 2020, the company transferred its holdings in Wigmore Medical Consulting UK Limited to a fellow subsidiary for nil consideration.

Movements in fixed asset investments

Group	Shares in group undertakings £
Cost or valuation	
At 1 January 2020	82,960
Additions	50,670
Disposals	(82,960)
At 31 December 2020	50,670
Carrying amount	
At 31 December 2020	50,670
At 31 December 2019	82,960

WIGMORE MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

12 Fixed asset investments (Continued)

Movements in fixed asset investments Company	Shares in group undertakings £
Cost or valuation	
At 1 January 2020	1,349,802
Additions	50,670
Disposals	(485,212)
At 31 December 2020	915,260
Carrying amount	
At 31 December 2020	915,260
At 31 December 2019	1,349,802

13 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Wigmore Medical France	29-31 Rue De Courcelles, 75008 Paris, France	Supply of medical, beauty & podiatry products	Ordinary	100.00
Clinic Solutions Limited	23 Wigmore Street, London, England, W1U 1PL	Software Development	Ordinary	100.00
Millivol Laboratories Limited	23 Wigmore Street, London, England, W1U 1PL	Dormant	Ordinary	100.00
Wigmore Laboratories Limited	23 Wigmore Street, London, England, W1U 1PL	Dormant	Ordinary	100.00
ZO Skin France	29-31 Rue De Courcelles, 75008 Paris, France	Supply of medical, beauty & podiatry products	Ordinary	30.00

14 Stocks

	Group 2020 £	2019 £	Company 2020 £	2019 £
Raw materials and consumables	2,861,195	2,793,223	2,800,416	2,369,455

There is no significant difference between the replacement cost of finished goods and goods for resale and their carrying amounts.

WIGMORE MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

15 Debtors

	Group 2020	2019	Company 2020	2019
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	4,596,870	3,677,156	3,962,169	3,100,939
Amounts owed by group undertakings	2,370,247	395,646	2,523,889	2,493,645
Other debtors	531,397	799,835	428,399	645,118
Prepayments and accrued income	189,295	317,303	189,295	211,854
	<u>7,687,809</u>	<u>5,189,940</u>	<u>7,103,752</u>	<u>6,451,556</u>

16 Creditors: amounts falling due within one year

	Notes	Group 2020	2019	Company 2020	2019
		£	£	£	£
Bank loans and overdrafts	17	-	220,286	-	-
Trade creditors		6,530,196	6,831,591	5,505,258	6,506,558
Amounts owed to group undertakings		17,870	200,001	-	200,001
Corporation tax payable		348,979	188,746	330,436	188,746
Other taxation and social security		278,896	298,647	262,446	109,487
Other creditors		107,106	357,125	3,919	327,333
Accruals and deferred income		300,559	102,761	272,939	71,495
		<u>7,583,606</u>	<u>8,199,157</u>	<u>6,374,998</u>	<u>7,403,620</u>

17 Borrowings

	Group 2020	2019	Company 2020	2019
	£	£	£	£
Bank overdrafts	-	220,286	-	-
	<u>-</u>	<u>220,286</u>	<u>-</u>	<u>-</u>
Payable within one year	-	220,286	-	-
	<u>-</u>	<u>220,286</u>	<u>-</u>	<u>-</u>

WIGMORE MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

18 Deferred taxation

The major deferred tax liabilities and assets recognised by the group and company are:

	Liabilities 2020 £	Liabilities 2019 £
Group		
Accelerated capital allowances	95,736	99,666
Short term timing differences	(137)	-
	<u>95,599</u>	<u>99,666</u>
	Liabilities 2020 £	Liabilities 2019 £
Company		
Accelerated capital allowances	95,736	92,320
Short term timing differences	(137)	-
	<u>95,599</u>	<u>92,320</u>
	Group 2020 £	Company 2020 £
Movements in the year:		
Liability at 1 January 2020	99,666	92,320
(Credit)/charge to profit or loss	(4,067)	3,279
Liability at 31 December 2020	<u>95,599</u>	<u>95,599</u>

19 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>121,220</u>	<u>102,062</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

WIGMORE MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

20 Share capital

	Group and Company			
	2020	2019	2020	2019
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	10,000	10,000	10,000	10,000

21 Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

22 Cash (absorbed by)/generated from group operations

	2020	2019
	£	£
Profit for the year after tax	852,723	1,991,314
Adjustments for:		
Taxation charged	423,103	484,767
Finance costs	965	7,750
Investment income	(2,788)	(3,231)
Gain on disposal of tangible fixed assets	(250,000)	-
Depreciation and impairment of tangible fixed assets	120,163	331,876
Movements in working capital:		
Increase in stocks	(67,972)	(113,716)
(Increase)/decrease in debtors	(2,517,869)	275,666
(Decrease)/increase in creditors	(555,498)	1,494,359
Cash (absorbed by)/generated from operations	(1,997,173)	4,468,785

23 Analysis of changes in net funds - group

	1 January 2020	Cash flows	Exchange rate movements	31 December 2020
	£	£	£	£
Cash at bank and in hand	4,894,759	(879,153)	88,445	4,104,051
Bank overdrafts	(220,286)	220,286	-	-
	<u>4,674,473</u>	<u>(658,867)</u>	<u>88,445</u>	<u>4,104,051</u>

WIGMORE MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

24 Operating lease commitments

Lessee

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

	Group 2020 £	2019 £	Company 2020 £	2019 £
Within one year	280,965	241,380	280,965	241,380
Between one and five years	118,753	-	118,753	-
	<u>399,718</u>	<u>241,380</u>	<u>399,718</u>	<u>241,380</u>

25 Related party transactions

During the year, the group was charged rent and service charges of £357,425 (2019: £288,254) by a business in which two directors have an interest. The company owed £119,915 at the year end (2019: £83,603).

During the year, the group entered into sale and purchase transactions with companies under common directorship. Sales during the year to Just Care Group Limited totalled £76,315 (2019: £38,909) and purchases totalled £23,441 (2019: £32,786). The company was owed £33,625 at year end (2019: £4,201). Sales during the year to Wigmore Technologies Limited totalled £519,478 (2019: £549,966) and purchases of £489,475 (2019: £549,966). The group was owed £45,068 (2019: £100,081) at year end. The company owed Wigmore Technologies £79,872 (2019: nil) at the year end.

During the year sales from the company to associates totalled £42,763 (2019: £4,133). The company was owed £32,919 at year end (2019: £480).

During the year the company made sales to non-wholly owned subsidiary undertakings of £nil (2019: £nil). The company was owed £1,251,119 (2019: £1,266,379) at year end. During the year the company made sales to a non-wholly owned subsidiary undertaking of £552,917 (2019: £220,858). The company was owed £89,108 (2019: £127,947) at year end.

During the year, the company loaned £nil (2019: £nil) to a director. No interest is charged on such loans. A previous loan of £20,000 was repaid in full in during the year (owned in 2019 : £20,000).

During the year the company repaid directors loans of £300,000 and made interest payments of £17,953 against these loans (2019 owed: £317,500). The company loaned £1,200,000 to two directors during the year. These loans were repaid in full during the year. No interest was charged on such loans.

The total remuneration of the directors, who are considered to be the key management personnel of the group was £748,962 (2019: £494,654).

WIGMORE MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

26 Controlling party

The directors consider the parent undertaking to be Dilazar Limited, which owns 100% of the share capital of Wigmore Medical Limited. Dilazar Limited is a company incorporated and registered in Jersey.

Wigmore Medical Limited is both the largest and smallest group for which consolidated accounts (including the company) are prepared.

In the opinion of the directors there is no individual ultimate controlling party.

27 Post balance sheet event

On 26 January 2021, the share capital of Wigmore France Limited was transferred to Wigmore Group Limited, a fellow group company, for a consideration of £44,250.

On 5 August 2021, the company sold its 30% holding in ZO Skin France to a third party for US\$500,000

In April 2021, the two dormant subsidiaries, Wigmore Laboratories Limited and Millivol Laboratories Limited, were dissolved.