

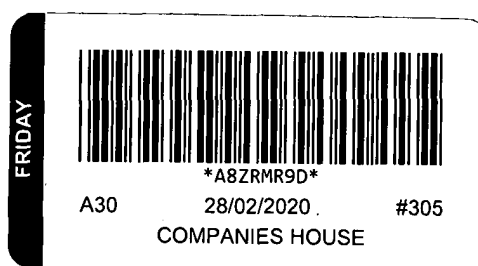
# **The Treatment Network Limited**

Director's Report and Financial Statements

Year Ended

31 May 2019

Company Number 03638331



# The Treatment Network Limited

## Company Information

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|                            |   |
|----------------------------|---|
| <b>Director</b>            | G Pulford   |
| <b>Registered number</b>   | 03638331  |
| <b>Registered office</b>   | Speed Medical House<br>16 Eaton Avenue<br>Matrix Park<br>Chorley<br>Lancashire<br>PR7 7NA |
| <b>Independent auditor</b> | BDO LLP<br>3 Hardman Street<br>Manchester<br>M3 3AT                                       |

# **The Treatment Network Limited**

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# **The Treatment Network Limited**

## **Director's Report For the Year Ended 31 May 2019**

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The director presents his report and the audited financial statements for the year ended 31 May 2019.

### **Principal activity**

The principal activity of the company is the provision of an extensive range of injury rehabilitation services for personal injury and absence management cases.

### **Business review**

The principal activity of the company is the provision of an extensive range of injury rehabilitation services for personal injury cases, occupational therapy and private health. These services are provided through a UK wide network of independent clinics and hospitals. The services are delivered by qualified health professionals at these locations. The range of services provided includes physical treatment such as physiotherapy, chiropractic and osteopathy. A full range of physiological services, hospital based services such as diagnostic and surgical procedures and case management.

### **Going Concern**

The company made a loss before tax of £178,746 (2018 - £224,104) and has net assets of £77,419 (2018 - £253,618). The company is dependent on funding provided by group undertakings. The director expects that the company will continue on this basis for the foreseeable future.

### **Results and dividends**

The loss for the year, after taxation, amounted to £176,199 (2018 - loss £203,054).

The director does not recommend the payment of a dividend (2018 - £Nil).

### **Director**

The director who served during the year was:

G Pulford

### **Disclosure of information to auditor**

The director at the time when this director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### **Auditor**

The auditor, BDO LLP, will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

### **Small companies note**

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

# The Treatment Network Limited

## Director's Report (continued) For the Year Ended 31 May 2019

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This report was approved by the board on *26 February 2020* and signed on its behalf.

**G Pulford**  
Director



# **The Treatment Network Limited**

## **Director's Responsibilities Statement For the Year Ended 31 May 2019**

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The director is responsible for preparing the director's report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare audited financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

# **The Treatment Network Limited**

## **Independent Auditor's report to the members of The Treatment Network Limited**

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### **Opinion**

We have audited the financial statements of The Treatment Network Limited ("the company") for the year ended 31 May 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position the Statement of Changes in equity and the 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 Financial Reporting Standard 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 company's affairs as at 31 May 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# **The Treatment Network Limited**

## **Independent Auditor's report to the members of The Treatment Network Limited (continued)**

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### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the directors report and financial statements, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

### **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 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 take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.



# The Treatment Network Limited

## Independent Auditor's report to the members of The Treatment Network Limited (continued)

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### Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

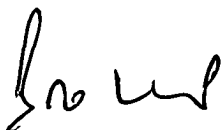
### Auditor's responsibilities for the audit of the financial statements

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.

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.



**Julien Rye** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Manchester  
United Kingdom

28 February 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# The Treatment Network Limited

## Statement of Comprehensive Income For the Year Ended 31 May 2019

|  | 2019<br>£        | 2018<br>£        |
|--|------------------|------------------|
| Turnover                               | 6,781,724        | 6,482,563        |
| Cost of sales                          | (4,534,372)      | (4,181,593)      |
| <b>Gross profit</b>                    | <b>2,247,352</b> | <b>2,300,970</b> |
| Administrative expenses                | (2,415,411)      | (2,703,407)      |
| Other operating income                 | -                | 185,982          |
| <b>Operating loss</b>                  | <b>(168,059)</b> | <b>(216,455)</b> |
| Interest receivable and similar income | 5                | 1                |
| Interest payable and similar charges   | (10,692)         | (7,650)          |
| <b>Loss before tax</b>                 | <b>(178,746)</b> | <b>(224,104)</b> |
| Tax on loss                            | 2,547            | 21,050           |
| <b>Loss for the financial year</b>     | <b>(176,199)</b> | <b>(203,054)</b> |

The notes on pages 9 to 18 form part of these financial statements.

# The Treatment Network Limited

Registered number:03638331

## Statement of Financial Position As at 31 May 2019

|  | Note | 2019<br>£        | 2019<br>£      | 2018<br>£        | 2018<br>£      |
|--|------|------------------|----------------|------------------|----------------|
| <b>Fixed assets</b>                            |      |                  |                |                  |                |
| Intangible assets                              | 5    |                  | 25,872         |                  | 45,268         |
| Tangible assets                                | 6    |                  | 57,107         |                  | 69,642         |
|  |      |                  | <u>82,979</u>  |                  | <u>114,910</u> |
| <b>Current assets</b>                          |      |                  |                |                  |                |
| Debtors: amounts falling due within one year   | 8    | 2,167,325        |                | 2,740,554        |                |
| Cash at bank and in hand                       |      | 3,609            |                | 138,142          |                |
|  |      | <u>2,170,934</u> |                | <u>2,878,696</u> |                |
| Creditors: amounts falling due within one year | 9    | (2,176,494)      |                | (2,739,988)      |                |
| <b>Net current (liabilities)/assets</b>        |      |                  | <u>(5,560)</u> |                  | <u>138,708</u> |
| <b>Total assets less current liabilities</b>   |      |                  | <u>77,419</u>  |                  | <u>253,618</u> |
| <b>Net assets</b>                              |      |                  | <u>77,419</u>  |                  | <u>253,618</u> |
| <b>Capital and reserves</b>                    |      |                  |                |                  |                |
| Called up share capital                        | 12   |                  | 50,932         |                  | 50,932         |
| Share premium account                          | 13   |                  | 10,226         |                  | 10,226         |
| Profit and loss account                        | 13   |                  | 16,261         |                  | 192,460        |
| <b>Shareholders equity</b>                     |      |                  | <u>77,419</u>  |                  | <u>253,618</u> |

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

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

26 February 2020

G Pulford  
Director



The notes on pages 9 to 18 form part of these financial statements.

# The Treatment Network Limited

## Notes to the Financial Statements For the Year Ended 31 May 2019

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### 1. General information

The Treatment Network Limited is a private company limited by shares incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activity is set out in the director's report.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The company's functional and presentational currency is Pound Sterling.

The following principal accounting policies have been applied:

#### 2.2 Exemption from preparing consolidated financial statements

The company is a parent company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

#### 2.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the period, exclusive of Value Added Taxes and trade discounts. Turnover is recognised when the service has been provided which is considered to be when the case has closed.

Turnover has been generated only within the United Kingdom and within one class of business.

#### 2.4 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

#### 2.5 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 2.6 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

# The Treatment Network Limited

## Notes to the Financial Statements For the Year Ended 31 May 2019

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### 2. Accounting policies (continued)

#### 2.7 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

|                   |                      |
|-------------------|----------------------|
| Computer software | - 25 % straight line |
|-------------------|----------------------|

#### 2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

The estimated useful lives range as follows:

|                                 |                              |
|---------------------------------|------------------------------|
| Leasehold property improvements | - over the life of the lease |
| Office equipment                | - 25% straight line          |
| Computer equipment              | - 25% straight line          |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

#### 2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

# The Treatment Network Limited

## Notes to the Financial Statements For the Year Ended 31 May 2019

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### 2. Accounting policies (continued)

#### 2.10 Debtors

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

#### 2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### 2.12 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

#### 2.13 Creditors

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

# **The Treatment Network Limited**

## **Notes to the Financial Statements For the Year Ended 31 May 2019**

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### **2. Accounting policies (continued)**

#### **2.14 Pensions**

##### **Defined contribution pension plan**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

#### **2.15 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

### **3. Judgements in applying accounting policies and key sources of estimation uncertainty**

In the application of the company's accounting policies, which are described in note 2, the director is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The director confirms the company does not have any critical accounting judgements and key sources of estimation uncertainty.

### **4. Employees**

The average monthly number of employees, including directors, during the year was 80 (2018 - 74).

# The Treatment Network Limited

## Notes to the Financial Statements For the Year Ended 31 May 2019

### 5. Intangible assets

|                       | Computer<br>software<br>£ |
|-----------------------|---------------------------|
| <b>Cost</b>           |                           |
| At 1 June 2018        | 195,372                   |
| Additions             | 9,048                     |
| At 31 May 2019        | 204,420                   |
| <b>Amortisation</b>   |                           |
| At 1 June 2018        | 150,104                   |
| Charge for the year   | 28,444                    |
| At 31 May 2019        | 178,548                   |
| <b>Net book value</b> |                           |
| At 31 May 2019        | 25,872                    |
| At 31 May 2018        | 45,268                    |



# The Treatment Network Limited

## Notes to the Financial Statements For the Year Ended 31 May 2019

### 6. Tangible fixed assets

|                                     | Leasehold<br>property<br>improve-<br>ments<br>£ | Office<br>equipment<br>£ | Computer<br>equipment<br>£ | Total<br>£ |
|-------------------------------------|---|--------------------------|----------------------------|------------|
| <b>Cost or valuation</b>            |   |                          |                            |            |
| At 1 June 2018                      | 104,909   | 1,741                    | 55,948                     | 162,598    |
| Additions                           | 2,000   | 2,638                    | 13,028                     | 17,666     |
| At 31 May 2019                      | 106,909   | 4,379                    | 68,976                     | 180,264    |
| <b>Depreciation</b>                 |   |                          |                            |            |
| At 1 June 2018                      | 54,524  | 1,374                    | 37,058                     | 92,956     |
| Charge for the year on owned assets | 15,887  | 1,170                    | 13,144                     | 30,201     |
| At 31 May 2019                      | 70,411  | 2,544                    | 50,202                     | 123,157    |
| <b>Net book value</b>               |   |                          |                            |            |
| At 31 May 2019                      | 36,498  | 1,835                    | 18,774                     | 57,107     |
| At 31 May 2018                      | 50,385  | 367                      | 18,890                     | 69,642     |

# The Treatment Network Limited

## Notes to the Financial Statements For the Year Ended 31 May 2019

### 7. Fixed asset investments

|                          | Investments<br>in<br>subsidiary<br>companies<br>£ |
|--------------------------|---|
| <b>Cost or valuation</b> |   |
| At 1 June 2018           | 239,506   |
| At 31 May 2019           | 239,506   |
| <b>Impairment</b>        |   |
| At 1 June 2018           | 239,506   |
| At 31 May 2019           | 239,506   |
| <b>Net book value</b>    |   |
| At 31 May 2019           | -   |
| At 31 May 2018           | -   |

The investment was fully impaired a prior year, following an assessment by the director of the value in use of the underlying assets.

#### Subsidiary undertakings

The following were subsidiary undertakings of the company:

| Name            | Class of<br>shares | Holding | Principal activity      |
|-----------------|--------------------|---------|-------------------------|
| Corpore Limited | Ordinary           | 100%    | Human health activities |
| @Physio Limited | Ordinary           | 100%    | Human health activities |

The registered address of all of the above subsidiary undertakings is Speed Medical House, 16 Eaton Avenue, Matrix Park, Chorely, Lancashire, PR7 7NA.

# The Treatment Network Limited

## Notes to the Financial Statements For the Year Ended 31 May 2019

### 8. Debtors: amounts falling due within one year

|                                    | 2019<br>£        | 2018<br>£        |
|------------------------------------|------------------|------------------|
| Trade debtors                      | 464,649          | 234,940          |
| Prepayments and accrued income     | 341,092          | 342,278          |
| Amounts owed by group undertakings | 1,322,512        | 2,130,962        |
| Other debtors                      | 14,199           | 10,872           |
| Deferred taxation                  | 24,873           | 21,502           |
|                                    | <u>2,167,325</u> | <u>2,740,554</u> |

Amounts owed by group undertakings are interest free and repayable on demand.

### 9. Creditors: amounts falling due within one year

|                                    | 2019<br>£        | 2018<br>£        |
|------------------------------------|------------------|------------------|
| Bank overdrafts                    | 391,616          | -                |
| Trade creditors                    | 338,180          | 311,027          |
| Amounts owed to group undertakings | 856,235          | 1,832,038        |
| Other taxation and social security | 107,183          | 83,508           |
| Other creditors                    | 28,488           | 89,653           |
| Accruals and deferred income       | 454,792          | 423,762          |
|                                    | <u>2,176,494</u> | <u>2,739,988</u> |

Amounts owed to group undertakings are interest free and repayable on demand.

### 10. Contingent liabilities

An unlimited multilateral guarantee is in place between The Treatment Network Group Limited, The Treatment Network (Holdings) Limited, The Treatment Network Limited and Corpore Limited and HSBC Bank PLC on outstanding borrowings. HSBC Bank PLC also holds a fixed charge over all freehold and leasehold property in the group and a first fixed and floating charge over all other assets. contingent liability at the statement of financial position date was £400,000 (2018 - £400,000).

# The Treatment Network Limited

## Notes to the Financial Statements For the Year Ended 31 May 2019

### 11. Deferred taxation

|                           | 2019<br>£     |
|---------------------------|---------------|
| At beginning of year      | 21,502        |
| Charged to profit or loss | 3,371         |
| <b>At end of year</b>     | <b>24,873</b> |

The deferred tax asset is made up as follows:

|                                | 2019<br>£     | 2018<br>£     |
|--------------------------------|---------------|---------------|
| Accelerated capital allowances | 20,567        | 17,195        |
| Short term differences         | 4,306         | 4,307         |
|                                | <b>24,873</b> | <b>21,502</b> |

### 12. Share capital

|   | 2019<br>£     | 2018<br>£     |
|---|---------------|---------------|
| <b>Allotted, called up and fully paid</b>             |               |               |
| 50,932 (2018 - 50,932) ordinary shares of £1.000 each | <b>50,932</b> | <b>50,932</b> |

### 13. Reserves

The company's capital and reserves are as follows:

#### Called up share capital

Called up share capital represents the nominal value of the shares issued.

#### Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

#### Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.