

REGISTERED NUMBER: 04607470 (England and Wales)

The Imaging Clinic Limited
Unaudited Financial Statements
for the Year Ended 31 December 2018

**Contents of the Financial Statements
for the Year Ended 31 December 2018**

	Page
Company Information	1
Balance Sheet	6
Notes to the Financial Statements	8

The Imaging Clinic Limited

Company Information for the Year Ended 31 December 2018

DIRECTORS:

Dr A J Lopez
Mrs C Lopez

REGISTERED OFFICE:

T3601
1 St Gabriel Walk
Elephant and Castle
London
SE1 6FF

REGISTERED NUMBER:

04607470 (England and Wales)

ACCOUNTANTS:

Stanbridge Associates Limited
7 Lindum Terrace
Lincoln
Lincolnshire

BANKERS:

National Westminster Bank plc
250 Bishopsgate
London
EC2M 4AA

**Strategic Report
for the Year Ended 31 December 2018**

The directors present their strategic report for the year ended 31 December 2018.

RESULTS AND BUSINESS REVIEW

The company had a satisfactory year to 31 December 2018. Although turnover for the group including the subsidiaries BMI Imaging Clinic Limited and Parkside IHL Scanning Service LLP decreased by 24% to £439,195, this reflected retention of normally distributed franked income by the joint ventures to provide Capital Expenditure to purchase new equipment including the United Kingdom's first PET CT scanner in a private hospital outside London. The operating profit was £247,477 for the year, a decrease of 35.4% from 2017, but costs were well controlled as the Company grew.

BUSINESS ENVIRONMENT AND STRATEGY

The Company's objective is to become the UK market leader in consultant engagement with a view to the purchase, supply and operation of renewable cutting-edge high technology equipment (in particular PETCT and MRI) in joint venture with clinicians, hospitals and clinics in the independent sector to support growth in healthcare requirements in the UK.

To capture this opportunity, the company is considering creating an Investment Fund to facilitate building a stronger product and create clinical development service teams throughout the UK to rapidly and systematically discover, build and launch new services, and continue to iterate upon them.

The parent company directors and management team work closely with the local management teams of the joint venture subsidiary companies to anticipate risks from economic or national factors and plan accordingly. We remain confident about our business prospects because we continue to gain market share from competitors in operating diagnostic services. We continue to engage specific groups of consultants (and other healthcare professionals) as they increasingly recognise the economic effects of a sustained relative National pay freeze, loss of pensionable Clinical Excellence Awards, and new punitive pension restrictions.

**Strategic Report
for the Year Ended 31 December 2018**

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the Company and the execution of the Company's strategy are subject to a number of risks. These risks are constantly monitored by the board and appropriate processes have been put in place to monitor and mitigate these risks. The key business risks identified by the management are as follows:

- **Competition:** The Company operates in a highly competitive environment which is still in the early stages of development. As the Company continues to have success we expect more competitors to enter the market with similar offerings in a diagnostic standalone environment. The Company intends to leverage its in-depth knowledge and years of experience in the industry to outperform these competitors. We will continue to innovate, provide new services and optimise the patient experience.
- **Regulation:** Healthcare is a heavily regulated sector and there are multiple regulatory requirements that apply to our services and operation. Our base of operations is in the UK and therefore we are primarily subject to the UK regulatory frameworks. This includes those that govern our clinical staff (General Medical Council), our financial staff (Financial Conduct Authority) and the services we provide generally (Care Quality Regulations). We also operate within the guidelines presented by the Final Order (2014) of the Competition & Markets Authority.
- **Data and IT security:** The Company deals with sensitive patient data. The recent introduction of the General Data Protection Regulation 2018 (GDPR) means that there is greater public awareness of Data Privacy and there are increased consequences in case of a breach. Management is committed to protect the privacy of our patients and data security is a cornerstone of the company mission. Processes are in place to monitor incidents and to log and respond to any customers queries reactively. Legal and infrastructure teams support operational teams to embed data privacy in all facets of the business and to ensure compliance with the regulation and relevant security standards.
- **Brexit considerations:** The Company continues to monitor the government's position regarding Brexit assessing the impact on the Company on an ongoing basis. We consider the risk on the overall business to be negligible, neither relying on European Union workforce or patients, although much of the complex imaging equipment (which needs to be maintained and serviced) currently originates from EU suppliers. We will continue to assess the changing environment to mitigate new risks as they transpire. As a service business, tax and customs administration remains unaffected. Currency risk is mitigated with a large proportion of the cost base being in GBP. One area of focus is the impact under GDPR in the event of a hard Brexit and we work closely with advisors to ensure the business remains fully compliant under all outcomes.

FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist of cash, investments, trade receivables and trade payables. The carrying values of these instruments have varying contractual maturities, and there is zero debt. The Company is primarily funded by operationally-generated cash flow, rather than external sources of finance.

**Strategic Report
for the Year Ended 31 December 2018**

Credit Risk - As the majority of the Company's sales are to individuals or company schemes funded by private medical insurance, credit risk is to a large extent a minor short-term risk only. There are partner processes in place to reduce the risk of card fraud. Corporate customers and payment service providers are vetted for creditworthiness and any outstanding balances are regularly reviewed and chased.

Liquidity Risk - The Company maintains a very strong cash flow position, allowing it to pay all its debts as they fall due. The Company also has considerable cash reserves and a demonstrable history of capital efficiency and cost control, ensuring that growth in costs never outstrips growth in revenue in the long-term.

FINANCIAL KEY PERFORMANCE INDICATORS

The Company's key performance indicators are its reach to healthcare professionals nationally, revenue growth and profit. The directors monitor Company financial performance with reference to the following Key Performance Indicators (KPIs):

	2018	2017
Turnover	£439,195	£580,537
Operating Profit	£247,477	£383,204
Operating Margin	56.34%	66.0%

Group turnover decreased the year to £439,195. Operating profit decreased to £247,477 and operating margin decreased to 56.34%. The Company concentrated on controlling costs through this phase, retaining funds for investment in future growth opportunities.

The Company remains cash flow positive with cash balances of £4.5 million as at 31 December 2018.

Other Financial KPIs include:

- MRI activity and fee income
- PET CT activity and fee income
- Equipment capacity and slot utilization
- Revenue per clinical hour
- Staff cost per test

NON-FINANCIAL KEY PERFORMANCE INDICATORS

The directors also use a number of non-financial KPIs to monitor business performance. These include:

- Patient scans/day
- Staff satisfaction surveys (six monthly)
- Patient satisfaction surveys (imaging department)
- Booking to scan time
- Number of clinical incidents and other clinical governance-related metrics (Datix)

The status of these metrics was considered highly satisfactory in 2018.

**Strategic Report
for the Year Ended 31 December 2018**

FUTURE OUTLOOK AND PROSPECTS

The strength and sustainability of the Company's position is underpinned by its in-depth knowledge of imaging in the public and independent healthcare sectors, and its focus on consultant engagement to ensure optimal equipment and exceptional patient experience.

The Company's trading performance in 2018 coupled with clear future strategy and strong cash flows leaves the Company well-positioned to grow successfully in 2019 and beyond. Indeed, post balance sheet the Company has successfully opened the UK's first PET CT scanner in an independent hospital outside London.

The Company has the support of its shareholders and detailed plans to extend its model of delivery and its core capabilities into appropriate locations across the UK in support of improved access and capacity for patients seeking earliest diagnosis of medical conditions.

ON BEHALF OF THE BOARD:

Dr A J Lopez - Director

15 September 2019

The Imaging Clinic Limited (Registered number: 04607470)

**Balance Sheet
31 December 2018**

	Notes	2018 £	£	2017 £	£
FIXED ASSETS					
Intangible assets	4		-		-
Tangible assets	5		<u>727</u>		<u>267</u>
			727		267
CURRENT ASSETS					
Debtors	6	1,201,820		1,109,473	
Cash at bank		<u>4,471,365</u>		<u>3,695,586</u>	
		5,673,185		4,805,059	
CREDITORS					
Amounts falling due within one year	7	<u>1,195,361</u>		<u>1,147,808</u>	
NET CURRENT ASSETS			<u>4,477,824</u>		<u>3,657,251</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,478,551</u>		<u>3,657,518</u>
CAPITAL AND RESERVES					
Called up share capital			1,000		1,000
Retained earnings			<u>4,477,551</u>		<u>3,656,518</u>
SHAREHOLDERS' FUNDS			<u>4,478,551</u>		<u>3,657,518</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2018 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in
- (b) accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements

The Imaging Clinic Limited (Registered number: 04607470)

Balance Sheet - continued
31 December 2018

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 15 September 2019 and were signed on its behalf by:

Dr A J Lopez - Director

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2018**

1. STATUTORY INFORMATION

The Imaging Clinic Limited is a private company, limited by shares , registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents trading income accrued during the period shown by these financial statements.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

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

Plant and machinery etc - 25% Straight Line and 4 Year Straight Line

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 3 (2017 - 3) .

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

4. INTANGIBLE FIXED ASSETS

Goodwill
£

COST

At 1 January 2018

and 31 December 2018

825,000

AMORTISATION

At 1 January 2018

and 31 December 2018

825,000

NET BOOK VALUE

At 31 December 2018

-

At 31 December 2017

-

5. TANGIBLE FIXED ASSETS

Plant and
machinery
etc
£

COST

At 1 January 2018

23,737

Additions

969

At 31 December 2018

24,706

DEPRECIATION

At 1 January 2018

23,470

Charge for year

509

At 31 December 2018

23,979

NET BOOK VALUE

At 31 December 2018

727

At 31 December 2017

267

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018**

6. DEBTORS

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	118,312	106,452
Amounts owed by joint ventures	<u>951,898</u>	<u>948,021</u>
	<u>1,070,210</u>	<u>1,054,473</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	76,610	-
Amounts owed by joint ventures	<u>55,000</u>	<u>55,000</u>
	<u>131,610</u>	<u>55,000</u>
Aggregate amounts	<u>1,201,820</u>	<u>1,109,473</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	-	3,552
Amounts owed to joint ventures	1,121,129	1,060,130
Taxation and social security	50,678	78,312
Other creditors	<u>23,554</u>	<u>5,814</u>
	<u>1,195,361</u>	<u>1,147,808</u>

8. RELATED PARTY DISCLOSURES

The company owns a 100% shareholding in Incorporated Health Limited (company number 08756378).

The company owns a 50% shareholding in BMI Imaging Clinic Limited (company number 05706274), a company in which Dr AJ Lopez and Mrs C Lopez are also directors.

The company owns a 25.5% shareholding in Parkside IHL Scanning Services LLP (company number OC415560), a company in which Dr AJ Lopez is a director.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.