

Fountain Diagnostic Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 March 2021

Fountain Diagnostic Limited

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Fountain Diagnostic Limited

Company Information

Director	Dr S M Feldman
Registered office	The Living Care Group 4215 Park Approach Thorpe Park Leeds LS15 8GB

Fountain Diagnostic Limited
(Registration number: 05814528)
Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	<u>4</u>	334,140	355,140
Tangible assets	<u>5</u>	779,636	845,725
Investments		100	100
		<u>1,113,876</u>	<u>1,200,965</u>
Current assets			
Stocks	<u>7</u>	17,000	17,000
Debtors	<u>8</u>	3,663,653	3,013,567
Cash at bank and in hand		106	75
		<u>3,680,759</u>	<u>3,030,642</u>
Creditors: Amounts falling due within one year	<u>9</u>	<u>(2,987,775)</u>	<u>(2,727,351)</u>
Net current assets		<u>692,984</u>	<u>303,291</u>
Total assets less current liabilities		1,806,860	1,504,256
Creditors: Amounts falling due after more than one year	<u>9</u>	<u>(1,503,654)</u>	<u>(1,201,093)</u>
Provisions for liabilities - deferred tax		-	(5,855)
Net assets		<u><u>303,206</u></u>	<u><u>297,308</u></u>
Capital and reserves			
Called up and fully paid share capital		100	100
Profit and loss account		<u>303,106</u>	<u>297,208</u>
Total equity		<u><u>303,206</u></u>	<u><u>297,308</u></u>

For the financial year ending 31 March 2021 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the profit and loss account has been taken.

Approved and authorised by the director on 29 September 2021

Fountain Diagnostic Limited
(Registration number: 05814528)
Balance Sheet as at 31 March 2021

.....
Dr S M Feldman
Director

Fountain Diagnostic Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

1 General information

The Company is a private company limited by share capital incorporated in England and Wales. Details of the registered office are shown on page 1.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements have been prepared on a going concern basis, using the historical cost convention and in accordance with FRS 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Group accounts not prepared

The Company is part of a small group. The Company has taken advantage of the exemption provided in Section 398 of the Companies Act 2006 and has not prepared group accounts.

Going concern

The directors have prepared the financial statements on the going concern basis of accounting taking into account COVID-19 (Coronavirus) and the impact this has had on the performance of the business.

The company furloughed employees and utilised the Coronavirus Job Retention Scheme grant. The company also received a loan totalling £500,000 under the Coronavirus Business Interruption Loan Scheme and received payment holidays on PAYE and hire purchase liabilities.

As a result of the actions taken and following a review of the current trading and the future prospects, the directors have concluded that the going concern basis remains appropriate.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of value added tax, returns, rebates and discounts and is recognised when the amount of revenue can be reliably measured, and it is probable that future economic benefits will flow to the entity.

Government grants

Government grants in relation to revenue expenditure that has already been incurred for the purpose of giving immediate financial support to the entity with no future related costs shall be recognised in income in the period in which they become receivable.

Tax

The tax expense for the period comprises deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Current income tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Fountain Diagnostic Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

2 Accounting policies (continued)

Deferred tax is recognised on timing differences between taxable profits and profits reported in the financial statements. Deferred tax is recognised on all timing differences at the reporting date and is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	12.5%, 20% and 33% straight line
Fixtures and fittings	15% reducing balance
Computer equipment	25% reducing balance
Leasehold improvements	10 years straight line

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	5 years straight line

Fountain Diagnostic Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

2 Accounting policies (continued)

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Fountain Diagnostic Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

2 Accounting policies (continued)

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to profit or loss over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in profit or loss and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

Dividends

Dividend distribution to the Company's shareholders is recognised in the financial statements in the reporting period in which the dividends are paid.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Fountain Diagnostic Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

2 Accounting policies (continued)

Financial instruments

Financial instruments are classified and accounted for as financial assets, financial liabilities or equity instruments, according to the substance of the contractual arrangement. Equity instruments are those that entitle the holder to a residual interest in the Company's assets after deducting all of its liabilities.

Basic financial instruments are recognised at amortised cost, except for investments in non-convertible preference and non-puttable ordinary and preference shares, which are measured at fair value provided that this can be measured reliably. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in profit or loss.

3 Staff numbers

The average number of persons employed by the company (including the director) in the year, was 127 (2020 - 81).

4 Intangible assets

	Goodwill £	Total £
Cost		
At 1 April 2020	858,938	858,938
At 31 March 2021	858,938	858,938
Amortisation		
At 1 April 2020	503,798	503,798
Amortisation charge	21,000	21,000
At 31 March 2021	524,798	524,798
Carrying amount		
At 31 March 2021	334,140	334,140
At 31 March 2020	355,140	355,140

Fountain Diagnostic Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

5 Tangible assets

	Furniture, fittings and equipment £	Other property, plant and equipment £	Total £
Cost			
At 1 April 2020	318,589	1,047,659	1,366,248
Additions	6,897	116,653	123,550
At 31 March 2021	325,486	1,164,312	1,489,798
Depreciation			
At 1 April 2020	203,650	316,873	520,523
Charge for the year	24,438	165,201	189,639
At 31 March 2021	228,088	482,074	710,162
Carrying amount			
At 31 March 2021	97,398	682,238	779,636
At 31 March 2020	114,939	730,786	845,725

Included above are assets held under finance leases or hire purchase contracts. The net book value of these assets amounts to £722,683 (2020 - £722,276) and the depreciation charged for the year on these assets was £113,937 (2020 - £107,913).

Fountain Diagnostic Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

6 Investments

	2021 £	2020 £
Investments in subsidiaries	100	100
Subsidiaries		£
Cost or valuation		
At 1 April 2020		100
Provision		
Carrying amount		
At 31 March 2021		100
At 31 March 2020		100

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2021	2020
Subsidiary undertakings				
Calepark Limited	4215 Park Approach, Leeds, England, LS15 8GB England and Wales	Ordinary	100%	100%
Standard Healthcare Services Limited	4215 Park Approach, Leeds, England, LS15 8GB England and Wales	Ordinary	100%	100%
Leodis Care Limited	4215 Park Approach, Leeds, England, LS15 8GB England and Wales	Ordinary	75%	75%

Fountain Diagnostic Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

6 Investments (continued)

Subsidiary undertakings

Calepark Limited

The principal activity of Calepark Limited is the provision of human health services.

Standard Healthcare Services Limited

The principal activity of Standard Healthcare Services Limited is that of a dormant company.

Leodis Care Limited

The principal activity of Leodis Care Limited is the provision of medical services. The company ceased to trade following a hive up to its parent on 30 September 2019.

7 Stocks

	2021	2020
	£	£
Other inventories	17,000	17,000

8 Debtors

	2021	2020
	£	£
Trade debtors	519,114	516,961
Amounts owed by group undertakings	2,191,966	2,140,178
Other debtors	220,681	59,400
Prepayments	731,892	297,028
	3,663,653	3,013,567

Fountain Diagnostic Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

9 Creditors

	2021 £	2020 £
Due within one year		
Loans and borrowings	517,797	298,662
Trade creditors	1,157,570	1,111,955
Amounts owed to group undertakings	208,271	46,576
Taxation and social security	106,527	124,904
Other creditors	34,710	416,139
Accrued expenses	962,900	729,115
	<u>2,987,775</u>	<u>2,727,351</u>

Creditors due within one year include bank loans and overdrafts and net obligations under finance lease and hire purchase contracts which are secured of £517,797 (2020 - £298,662). These are secured by fixed and floating charges over the assets to which they relate.

The director has given a personal guarantee in respect of the above loans.

Creditors: amounts falling due after more than one year

	2021 £	2020 £
Due after one year		
Loans and borrowings	984,255	577,479
Other non-current financial liabilities	519,399	623,614
	<u>1,503,654</u>	<u>1,201,093</u>

Creditors include bank loans and overdrafts and net obligations under finance lease and hire purchase contracts which are secured of £984,255 (2020 - £577,479). These are secured by fixed and floating charges over the assets to which they relate.

The director has given a personal guarantee in respect of the above loans.

Fountain Diagnostic Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

10 Loans and borrowings

	2021 £	2020 £
Current loans and borrowings		
Bank borrowings	116,631	5,520
Bank overdrafts	241,914	139,483
Hire purchase contracts	159,252	153,659
	<u>517,797</u>	<u>298,662</u>

	2021 £	2020 £
Non-current loans and borrowings		
Bank borrowings	375,093	4,784
Hire purchase contracts	609,162	572,695
	<u>984,255</u>	<u>577,479</u>

11 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £93,976 (2020 - £Nil).

Fountain Diagnostic Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

12 Related party transactions

The Company has taken the exemption set out in FRS 102 from disclosing transactions with wholly owned group members.

Dr Stephen Feldman

(Shareholder and director)

At the balance sheet date, the amount owed to Dr Stephen Feldman was £2,226 (2020 - £301,051).

Living Care Imaging Limited

(Common shareholder and director)

At the balance sheet date, the amount owed from Living Care Imaging Limited was £52,603 (2020 - (£66,837)).

Living Care Health Limited

(Company under common ownership)

At the balance sheet date, the amount owed to Living Care Health Limited was £519,399 (2020 - £623,614).

Laserslim Cosmetic Services Limited

(Common shareholder and director)

At the balance sheet date, the amount owed from Laserslim Cosmetic Services Limited was £292,400 (2020 - £228,061).

Leodis Care Limited

(Subsidiary company)

At the balance sheet date, the amount owed from Leodis Care Limited was £2,920 (2020 - (£46,575)).

13 Parent and ultimate parent undertaking

The company's parent is Living Care Group Limited, incorporated in England and Wales.

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.