

## **PRESTON ORTHODONTICS LTD**

### **UNAUDITED**

### **DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 AUGUST 2022**

##### **Director's responsibilities statement**

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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.

##### **Principal activity**

During the year under review the principal activity of the company was the provision of dental services.

The director considers the performance of the business to be satisfactory and future prospects to be reasonable.

**PRESTON ORTHODONTICS LTD**

**DIRECTOR'S REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2022**

**Results and dividends**

The profit for the year, after taxation, amounted to £146,908 (2021 - £176,281).

The director paid dividends of £84,260 (2021: £120,420) during the year.

**Director**

The director who served during the year was:

Samer Salam

**Future developments**

The director intends to continue looking at ways of increasing contract sales and reducing purchase costs.

**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**PRESTON ORTHODONTICS LTD**  
**REGISTERED NUMBER: 07454298**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	6	2,628	3,799
		<u>2,628</u>	<u>3,799</u>
<b>Current assets</b>			
Stocks		2,908	2,897
Debtors: amounts falling due after more than one year	7	39,958	28,321
Debtors: amounts falling due within one year	7	264,480	294,094
Cash at bank and in hand	8	438,456	358,959
		<u>745,802</u>	<u>684,271</u>
Creditors: amounts falling due within one year	9	(45,919)	(48,210)
<b>Net current assets</b>		<u>699,883</u>	<u>636,061</u>
<b>Total assets less current liabilities</b>		<u>702,511</u>	<u>639,860</u>
<b>Net assets</b>		<u><u>702,511</u></u>	<u><u>639,860</u></u>
<b>Capital and reserves</b>			
Called up share capital		100	100
Profit and loss account		702,411	639,760
		<u><u>702,511</u></u>	<u><u>639,860</u></u>

**PRESTON ORTHODONTICS LTD**  
**REGISTERED NUMBER: 07454298**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2022**

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 August 2023.

**Samer Salam**

Director

The notes on pages 4 to 11 form part of these financial statements.

# **PRESTON ORTHODONTICS LTD**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022**

### **1. General information**

Preston Orthodontics Limited is a company domiciled in England & Wales, registration number 07454298. The registered office is Wharf House, Victoria Quays, Wharf Street, Sheffield, S2 5SY.

### **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 judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

#### **2.2 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### **Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### **Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

#### **2.3 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.4 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.5 Taxation

Tax is recognised in profit or loss 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 balance sheet date in the countries where the Company operates and generates income.

2.6 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.

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.

Depreciation is provided on the following basis:

Plant and machinery	- 20% straight line
Fixtures and fittings	- 20% straight line
Office equipment	- 20% straight line
Computer equipment	- 33% 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 profit or loss.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

**2. Accounting policies (continued)**

**2.8 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.

**2.9 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.

**2.10 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.

**2.11 Financial instruments**

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

The Company has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Company's Balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Basic financial assets**

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

**Other financial assets**

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

**Impairment of financial assets**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.11 Financial instruments (continued)

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

**Financial liabilities**

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

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

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

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

**Other financial instruments**

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

**Derecognition of financial instruments**

**Derecognition of financial assets**

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.



# PRESTON ORTHODONTICS LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

### 2. Accounting policies (continued)

#### 2.11 Financial instruments (continued)

##### Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

#### 2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

### 3. Employees

The average monthly number of employees, including directors, during the year was 7 (2021 - 6).

### 4. Taxation

	2022 £	2021 £
<b>Corporation tax</b>		
Current tax on profits for the year	34,702	41,114
	<u>34,702</u>	<u>41,114</u>
	<u>34,702</u>	<u>41,114</u>
<b>Total current tax</b>	<u><u>34,702</u></u>	<u><u>41,114</u></u>

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	<u>181,610</u>	<u>217,395</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	34,506	41,305
<b>Effects of:</b>		
Capital allowances for year in excess of depreciation	196	(191)
	<u>34,702</u>	<u>41,114</u>
<b>Total tax charge for the year</b>	<u><u>34,702</u></u>	<u><u>41,114</u></u>

**PRESTON ORTHODONTICS LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**4. Taxation (continued)**

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**5. Dividends**

	2022 £	2021 £
Dividends paid on equity capital	84,260	120,420
	<u>84,260</u>	<u>120,420</u>

**6. Tangible fixed assets**

	Plant and machinery £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 September 2021	6,677	7,616	-	7,432	21,725
Additions	-	-	477	-	477
	<u>6,677</u>	<u>7,616</u>	<u>477</u>	<u>7,432</u>	<u>22,202</u>
At 31 August 2022	6,677	7,616	477	7,432	22,202
	<u>6,677</u>	<u>7,616</u>	<u>477</u>	<u>7,432</u>	<u>22,202</u>
<b>Depreciation</b>					
At 1 September 2021	4,216	7,270	-	6,440	17,926
Charge for the year on owned assets	492	69	95	992	1,648
	<u>4,708</u>	<u>7,339</u>	<u>95</u>	<u>7,432</u>	<u>19,574</u>
At 31 August 2022	4,708	7,339	95	7,432	19,574
	<u>4,708</u>	<u>7,339</u>	<u>95</u>	<u>7,432</u>	<u>19,574</u>
<b>Net book value</b>					
At 31 August 2022	<u>1,969</u>	<u>277</u>	<u>382</u>	<u>-</u>	<u>2,628</u>
<b>At 31 August 2021</b>	<u>2,461</u>	<u>346</u>	<u>-</u>	<u>992</u>	<u>3,799</u>

**7. Debtors**

	2022 £	2021 £
<b>Due after more than one year</b>		
Other debtors	39,958	28,321

PRESTON ORTHODONTICS LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

7. Debtors (continued)

	<u>39,958</u>	<u>28,321</u>
	2022	2021
	£	£
<b>Due within one year</b>		
Trade debtors	14,117	18,100
Amounts owed by group undertakings	-	7,040
Other debtors	250,363	267,054
Prepayments and accrued income	-	1,900
	<u>264,480</u>	<u>294,094</u>

8. Cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	438,456	358,959
	<u>438,456</u>	<u>358,959</u>

9. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	1,753	1,753
Corporation tax	35,716	41,114
Other taxation and social security	-	1,743
Other creditors	3,254	-
Accruals and deferred income	5,196	3,600
	<u>45,919</u>	<u>48,210</u>

PRESTON ORTHODONTICS LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022

10. Financial instruments

	2022	2021
	£	£
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	<u>438,456</u>	<u>438,456</u>

Financial assets measured at fair value through profit or loss comprise of cash at bank and in hand.

11. Related party transactions

At the balance sheet date other debtors included £230,263 (2021: £249,151) as amounts owed by the director.

12. Controlling party

The company is controlled by the director Dr Samer Salam.

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.