

Company Registration No. 08078964 (England and Wales)

MDS HEALTHCARE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 26 JUNE 2018
PAGES FOR FILING WITH REGISTRAR

MDS HEALTHCARE LIMITED

CONTENTS

	Page
Balance sheet	1
Notes to the financial statements	2 - 10

MDS HEALTHCARE LIMITED

BALANCE SHEET

AS AT 26 JUNE 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Intangible assets	3		58,973		166,841
Tangible assets	4		1,074,137		407,134
Investments	5		8		8
			<u>1,133,118</u>		<u>573,983</u>
Current assets					
Stocks		203,979		178,754	
Debtors	7	3,198,229		2,531,910	
Cash at bank and in hand		504,305		840,920	
		<u>3,906,513</u>		<u>3,551,584</u>	
Creditors: amounts falling due within one year	8	<u>(2,653,541)</u>		<u>(2,455,069)</u>	
Net current assets			<u>1,252,972</u>		<u>1,096,515</u>
Total assets less current liabilities			<u>2,386,090</u>		<u>1,670,498</u>
Creditors: amounts falling due after more than one year	9		(561,758)		(173,758)
Provisions for liabilities			<u>(77,355)</u>		<u>(77,355)</u>
Net assets			<u><u>1,746,977</u></u>		<u><u>1,419,385</u></u>
Capital and reserves					
Called up share capital	10		2		2
Profit and loss reserves			<u>1,746,975</u>		<u>1,419,383</u>
Total equity			<u><u>1,746,977</u></u>		<u><u>1,419,385</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 21 March 2019 and are signed on its behalf by:

Mr M M Patel
Director

Company Registration No. 08078964

MDS HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 26 JUNE 2018

1 Accounting policies

Company information

MDS Healthcare Limited is a private company limited by shares incorporated in England and Wales. The registered office is 464 Ranglet Road, Walton Summit Centre, Preston, PR5 8AR.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Reporting period

The accounting reference date of the company is set as the 26th June each year. However, for operational purposes the company sets its year end as the 30th June each year. This represents a 365 day period for both the current and previous year.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 5 years.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

MDS HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 26 JUNE 2018

1 Accounting policies

(Continued)

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Branding & website	20% straight line
Contracts	20% straight line

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings	4% straight line
Fixtures and fittings	25% reducing balance
Computers	33.3% straight line
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.8 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

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

1.9 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

MDS HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 26 JUNE 2018

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.11 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised 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 debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

MDS HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 26 JUNE 2018

1 Accounting policies

(Continued)

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of the interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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 deducting all of its liabilities.

1.13 Equity instruments

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

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

MDS HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 26 JUNE 2018

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2 Employees

The average monthly number of persons (including directors) employed by the company during the Year was 43 (2017 - 59).

MDS HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 26 JUNE 2018

3 Intangible fixed assets

	Goodwill £	Other £	Total £
Cost			
At 27 June 2017 and 26 June 2018	307,960	246,232	554,192
Amortisation and impairment			
At 27 June 2017	233,672	153,679	387,351
Amortisation charged for the Year	61,592	46,276	107,868
At 26 June 2018	295,264	199,955	495,219
Carrying amount			
At 26 June 2018	12,696	46,277	58,973
At 26 June 2017	74,288	92,553	166,841

4 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 27 June 2017	78,330	750,191	828,521
Additions	570,047	289,350	859,397
At 26 June 2018	648,377	1,039,541	1,687,918
Depreciation and impairment			
At 27 June 2017	8,310	413,076	421,386
Depreciation charged in the Year	25,935	166,460	192,395
At 26 June 2018	34,245	579,536	613,781
Carrying amount			
At 26 June 2018	614,132	460,005	1,074,137
At 26 June 2017	70,020	337,114	407,134

5 Fixed asset investments

	2018 £	2017 £
Investments	8	8

MDS HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 26 JUNE 2018

5 Fixed asset investments (Continued)

Movements in fixed asset investments

	Investments other than loans
	£
Cost or valuation	
At 27 June 2017 & 26 June 2018	8
Carrying amount	
At 26 June 2018	8
At 26 June 2017	8

6 Significant undertakings

The company also has significant holdings in undertakings which are not consolidated:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Clayton Green Management Company Ltd	UK	Healthcare	Ordinary £1 shares	50.00

The company has a registered office of 8 Peterborough Road, Harrow, HA1 2BQ.

7 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	1,718,320	1,418,492
Other debtors	570,557	548,054
	<u>2,288,877</u>	<u>1,966,546</u>
Amounts falling due after more than one year:		
Other debtors	<u>909,352</u>	<u>565,364</u>
Total debtors	<u>3,198,229</u>	<u>2,531,910</u>

MDS HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 26 JUNE 2018

8 Creditors: amounts falling due within one year

	2018	2017
	£	£
Bank loans and overdrafts	87,105	49,378
Trade creditors	2,326,391	2,021,671
Corporation tax	160,712	221,660
Other taxation and social security	10,961	23,379
Other creditors	68,372	138,981
	<u>2,653,541</u>	<u>2,455,069</u>

9 Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Bank loans and overdrafts	522,772	173,758
Other creditors	38,986	-
	<u>561,758</u>	<u>173,758</u>

The long-term loans are secured by a debenture cresting a fixed and floating charge rate over the assets of the company.

A legal first charge over Block C Clayton Green Business Park , 464 Ranglelet Road, Walton Summit and a legal first charge over the occupational lease on 62 Haslingden Road.

10 Called up share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
2 Ordinary of £1 each	2	2
	<u>2</u>	<u>2</u>

11 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was David Clegg.

The auditor was AMS Accountants Corporate Limited.

MDS HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 26 JUNE 2018

12 Operating lease commitments

Lessee

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

2018	2017
£	£
390,992	553,164
<u>390,992</u>	<u>553,164</u>

13 Related party transactions

The following amounts were outstanding at the reporting end date:

	2018	2017
	£	£
Amounts due from related parties		
Other related parties	909,352	565,364
	<u>909,352</u>	<u>565,364</u>

14 Directors' transactions

Dividends totalling £64,000 (2017 - £0) were paid in the Year in respect of shares held by the company's directors.

At the period end, a balance of £936 (2017: £80,586) was due to the directors.

The above balance is interest free and has no fixed date for repayment.

Personal guarantees of £450,000 have been provided by the directors in respect of bank borrowings.

15 Controlling party

No individual shareholder controlled the company during the current or previous period.

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.