

REGISTERED NUMBER: 08403776 (England and Wales)

Unaudited Financial Statements for the Year Ended 30 June 2023

for

Braincare Limited

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for the year ended 30 June 2023**

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Braincare Limited

**Company Information
for the year ended 30 June 2023**

DIRECTORS:

Mr J R Freeman
Mr D Murray
Mr S Reddington

SECRETARY:

Hexagon Tds Limited

REGISTERED OFFICE:

27 Old Gloucester Street
London
England
WC1N 3AX

REGISTERED NUMBER:

08403776 (England and Wales)

ACCOUNTANTS:

Flinder Effect Limited
Certified Chartered Accountants (ACCA)
71-75 Shelton Street
Covent Garden
London
WC2H 9JQ

Braincare Limited (Registered number: 08403776)**Statement of Financial Position
30 June 2023**

	Notes	2023 £	2022 £
FIXED ASSETS			
Intangible assets	5	22,061	5,313
Tangible assets	6	1,946	3,809
Investments	7	11	11
		24,018	9,133
CURRENT ASSETS			
Stocks		1,150,001	623,342
Debtors	8	969,491	507,616
Cash at bank		397,534	1,609,513
		2,517,026	2,740,471
CREDITORS			
Amounts falling due within one year	9	(2,067,689)	(1,702,525)
NET CURRENT ASSETS		449,337	1,037,946
TOTAL ASSETS LESS CURRENT LIABILITIES		473,355	1,047,079
CREDITORS			
Amounts falling due after more than one year	10	(31,995)	(31,702)
NET ASSETS		441,360	1,015,377
CAPITAL AND RESERVES			
Called up share capital		1,266	1,160
Share premium		10,831,668	9,551,277
Retained earnings		(10,391,574)	(8,537,060)
SHAREHOLDERS' FUNDS		441,360	1,015,377

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2023 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
- (b) 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 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

Braincare Limited (Registered number: 08403776)

Statement of Financial Position - continued
30 June 2023

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

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

The financial statements were approved by the Board of Directors and authorised for issue on 26 March 2024 and were signed on its behalf by:

Mr J R Freeman - Director

**Notes to the Financial Statements
for the year ended 30 June 2023**

1. STATUTORY INFORMATION

Braincare 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.

The presentation currency of the financial statements is the Pound Sterling (£).

2. STATEMENT OF COMPLIANCE

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.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

Significant judgements and estimates

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates if necessary. It also requires management to exercise judgement in applying the company accounting policies.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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.

Trademark are being amortised evenly over their estimated useful life of five years.

Development costs are being amortised evenly over their estimated useful life of three years.

Computer software is being amortised evenly over its estimated useful life of ten years.

Tangible fixed assets

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

Fixtures and fittings	- Straight line over 3 to 4 years
Computer equipment	- Straight line over 3 to 4 years

Investments in subsidiaries

Fixed asset investments are stated at cost less provision for permanent diminution in value.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

**Notes to the Financial Statements - continued
for the year ended 30 June 2023**

3. ACCOUNTING POLICIES - continued

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 if the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial instruments

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 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 creditor 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 at amortised cost using the effective interest method.

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 statement of financial position date.

**Notes to the Financial Statements - continued
for the year ended 30 June 2023**

3. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Going concern

In assessing the ability of the company to operate as a going concern, management have evaluated current and forecasted operational results, and the solvency of the company. The directors and shareholders have indicated their present intention to provide adequate finance to enable the company to continue in operational existence, and on this basis the directors consider it appropriate to prepare the financial statements on the going concern basis.

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 12 (2022 - 11) .

Notes to the Financial Statements - continued
for the year ended 30 June 2023

5. INTANGIBLE FIXED ASSETS

	Trademark £	Development costs £	Computer software £	Totals £
COST				
At 1 July 2022	9,904	5,626	52,534	68,064
Additions	-	25,591	-	25,591
At 30 June 2023	9,904	31,217	52,534	93,655
AMORTISATION				
At 1 July 2022	9,904	313	52,534	62,751
Amortisation for year	-	8,843	-	8,843
At 30 June 2023	9,904	9,156	52,534	71,594
NET BOOK VALUE				
At 30 June 2023	-	22,061	-	22,061
At 30 June 2022	-	5,313	-	5,313

6. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 July 2022 and 30 June 2023	3,177	21,204	24,381
DEPRECIATION			
At 1 July 2022	3,177	17,395	20,572
Charge for year	-	1,863	1,863
At 30 June 2023	3,177	19,258	22,435
NET BOOK VALUE			
At 30 June 2023	-	1,946	1,946
At 30 June 2022	-	3,809	3,809

7. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 July 2022 and 30 June 2023	11
NET BOOK VALUE	
At 30 June 2023	11
At 30 June 2022	11

**Notes to the Financial Statements - continued
for the year ended 30 June 2023**

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade debtors	-	600
Amounts owed by group undertakings	857,555	229,136
Other debtors	111,936	277,880
	<u>969,491</u>	<u>507,616</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank loans and overdrafts	170,000	718,822
Trade creditors	1,000,187	189,742
Taxation and social security	479,169	152,112
Other creditors	418,333	641,849
	<u>2,067,689</u>	<u>1,702,525</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Bank loans	<u>31,995</u>	<u>31,702</u>

11. RELATED PARTY DISCLOSURES

Included within debtors is an amount of £857,555 (2022: £229,136) due from a Braincare Inc, a 100% owned subsidiary company.

**Notes to the Financial Statements - continued
for the year ended 30 June 2023**

12. SHARE-BASED PAYMENT TRANSACTIONS

Approved Share Option Plan

The Company operates an Approved EMI Share Option Plan where certain employees are granted options to purchase shares in the company. On exercise of the options by the employees, the Company issues new shares.

Since scheme inception in December 2017 options have been granted regularly at various exercise prices. The vesting schedule varies with each grant but in all instances, the options are only exercisable on a sale event so at the balance sheet date, no options are eligible to be exercised

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year under the Approved EMI Share Option Plan.

The Company is unable to directly measure the fair value of employee services received. Instead the fair value of the share options granted during the year is determined using the Black-Scholes model. The model is internationally recognised as being appropriate to value employee share schemes similar to the scheme the Company have in place.

Approved Options	2023		2022	
	No.	WAEP	No.	WAEP
Outstanding at 1 July	8,624,996	£0.22	8,969,095	£0.17
Granted during the year	-	-	-	-
Lapsed during the year	58,147	£0.40	344,099	£0.40
Outstanding at 30 June	8,566,849	£0.22	8,624,996	£0.22
Exercisable at 30 June	-	-	-	-

The total charge for approved options was £22,219.

**Notes to the Financial Statements - continued
for the year ended 30 June 2023**

Unapproved Share Option Plan

The company also operate an unapproved share option plan for certain individuals. Under this plan, individuals are granted options over Ordinary shares with options vesting under differing schedules. Again, options under this plan have been granted at an exercise price equal to the fair value of the shares under option at the time of grant and therefore no expense is recognised in the financial statements for the options granted under this plan.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year under the Unapproved Share Option Plan.

The Company is unable to directly measure the fair value of employee services received. Instead the fair value of the share options granted during the year is determined using the Black-Scholes model. The model is internationally recognised as being appropriate to value employee share schemes similar to the scheme the Company have in place.

Unapproved Options	2023		2022	
	No.	WAEP	No.	WAEP
Outstanding at 1 July	50,000	£0.40	50,000	£0.40
Granted during the year	-	-	-	-
Outstanding at 30 June	50,000	£0.40	50,000	£0.40
Exercisable at 30 June	-	-	-	-

The total charge for unapproved options was £54.

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.