

Orthodontics For You (Solihull) Limited

Financial statements

Information for filing with the registrar

30 September 2021

Orthodontics For You (Solihull) Limited

Balance sheet

As at 30 September 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	4	1,360,000	1,445,000
Tangible assets	5	50,132	11,886
		<u>1,410,132</u>	<u>1,456,886</u>
Current assets			
Stocks		26,319	26,319
Debtors: amounts falling due within one year	6	416,331	305,193
Bank and cash balances		19,005	485
		<u>461,655</u>	<u>331,997</u>
Creditors: amounts falling due within one year	7	(482,469)	(667,696)
Net current liabilities		<u>(20,814)</u>	<u>(335,699)</u>
Total assets less current liabilities		<u>1,389,318</u>	<u>1,121,187</u>
Creditors: amounts falling due after more than one year	8	(204,052)	(199,852)
Provisions for liabilities			
Deferred tax		(11,538)	-
		<u>(11,538)</u>	<u>-</u>
Net assets		<u><u>1,173,728</u></u>	<u><u>921,335</u></u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		1,173,628	921,235
		<u><u>1,173,728</u></u>	<u><u>921,335</u></u>

Orthodontics For You (Solihull) Limited

Balance sheet (continued)

As at 30 September 2021

The directors consider 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 directors acknowledge their 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 22 June 2022.

Mark John Forty

Director

Registered number: 09441164

The notes on pages 3 to 9 form part of these financial statements.

Orthodontics For You (Solihull) Limited

Notes to the financial statements For the Year Ended 30 September 2021

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 532 Streetsbrook Road, Solihull, West Midlands, B91 1RD, United Kingdom.

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 following principal accounting policies have been applied:

2.2 Going concern

In light of recent global events which persist at the date of approval of these financial statements, the directors have also taken measures to counter the potential impact of Covid-19 on the company's operations and the resultant financial impact. Contingency plans have been implemented to mitigate the risk to the business. In addition, the UK government have announced a series of funding measures which, the directors anticipate will be available should there be any additional short to medium term funding requirements. Whilst the risks in this regard cannot be completely mitigated and therefore some level of future uncertainty remains, the directors have adopted measures and assessed the financial implications of associated factors outside their control and do not consider the residual uncertainties to be material to the company's ability to continue meeting its liabilities as they fall due in the foreseeable future.

2.3 Revenue

The turnover shown in the profit and loss account represents NHS contract income, private fees and capitation schemes income receivable during the period.

2.4 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the statement of comprehensive income in the same period as the related expenditure.

2.5 Interest income

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

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Orthodontics For You (Solihull) Limited

Notes to the financial statements For the Year Ended 30 September 2021

2. Accounting policies (continued)

2.7 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.8 Pensions

Defined benefit pension plan

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

Orthodontics For You (Solihull) Limited

Notes to the financial statements For the Year Ended 30 September 2021

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.11 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.

Orthodontics For You (Solihull) Limited

Notes to the financial statements For the Year Ended 30 September 2021

2. Accounting policies (continued)

2.11 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant and machinery	-	25%	reducing balance
Fixtures and fittings	-		
Computer equipment	-		

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.

2.12 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 first in, first out 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.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

2.14 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially

Orthodontics For You (Solihull) Limited

Notes to the financial statements For the Year Ended 30 September 2021

2. Accounting policies (continued)

2.14 Financial instruments (continued)

at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

2.15 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 17 (2020 - 17).

4. Intangible assets

	Goodwill £
Cost	
At 1 October 2020	1,700,000
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At 30 September 2021	1,700,000
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Amortisation	
At 1 October 2020	255,000
Charge for the year on owned assets	85,000
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At 30 September 2021	340,000
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Net book value	
At 30 September 2021	1,360,000
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At 30 September 2020	1,445,000
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Orthodontics For You (Solihull) Limited

Notes to the financial statements For the Year Ended 30 September 2021

5. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 October 2020	21,617	-	-	21,617
Additions	34,600	3,684	5,399	43,683
At 30 September 2021	56,217	3,684	5,399	65,300
Depreciation				
At 1 October 2020	9,731	-	-	9,731
Charge for the year on owned assets	5,194	-	243	5,437
At 30 September 2021	14,925	-	243	15,168
Net book value				
At 30 September 2021	41,292	3,684	5,156	50,132
At 30 September 2020	11,886	-	-	11,886

6. Debtors

	2021 £	2020 £
Trade debtors	73,047	70,167
Amounts owed by group undertakings	343,284	-
Other debtors	-	235,026
	416,331	305,193

Orthodontics For You (Solihull) Limited

Notes to the financial statements For the Year Ended 30 September 2021

7. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank overdrafts	-	9,573
Bank loans	17,160	17,160
Trade creditors	22,354	10,418
Amounts owed to group undertakings	-	78,849
Corporation tax	132,605	116,930
Other taxation and social security	9,440	-
Obligations under finance lease and hire purchase contracts	5,399	-
Other creditors	15,129	30,786
Accruals and deferred income	280,382	403,980
	<u>482,469</u>	<u>667,696</u>

8. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	183,746	199,852
Net obligations under finance leases and hire purchase contracts	20,306	-
	<u>204,052</u>	<u>199,852</u>

9. Related party transactions

During the year the company operated an intercompany account with Orthodontics For You (Bromsgrove) Limited to record amounts due and from the company. At 30 September 2021 the company was owed £102,014 (2020: £134,426 owed to) by Orthodontics For You (Bromsgrove) Limited.

During the year the company operated an intercompany account with Primrose Holdings Limited to record amounts due and from the company. At 30 September 2021 the company was owed £225,253 (2020: £45,200) by Primrose Holdings Limited.

During the year the company operated an intercompany account with Quality Orthodontics Limited to record amounts due and from the company. At 30 September 2021 the company was owed £16,016 (2020: £10,376) by Quality Orthodontics Limited.

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