

Company Registration No. 10951827 (England and Wales)

**MAYO CLINIC (UK) LTD**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2021**  
**PAGES FOR FILING WITH REGISTRAR**

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# **MAYO CLINIC (UK) LTD**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are 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 directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

**MAYO CLINIC (UK) LTD****STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021**

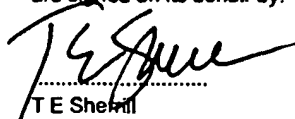
		2021		2020 as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Investments	5		9,506,917		18,910,001
<b>Current assets</b>					
Debtors	6	-		10,976,299	
Cash at bank and in hand		5,226,275		5,476,950	
		5,226,275		16,453,249	
<b>Creditors: amounts falling due within one year</b>	7	(66,440)		(31,500)	
<b>Net current assets</b>			5,159,835		16,421,749
<b>Total assets less current liabilities</b>			14,666,752		35,331,750
<b>Capital and reserves</b>					
Called up share capital	8		1		1
Capital contribution reserve	9		45,390,720		35,660,967
Profit and loss reserves	9		(30,723,969)		(329,218)
<b>Total equity</b>			14,666,752		35,331,750

The directors of the company have elected not to include a copy of the income statement with 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 and in accordance with the provisions of FRS 102 Section 1A - small entities.

The notes on pages 4 to 10 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 12 January 2022 and are signed on its behalf by:

  
T E Sherrill  
Director

# MAYO CLINIC (UK) LTD

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital £	Capital contribution reserve £	Profit and loss reserves £	Total £
<b>As restated for the period ended 31 December 2020:</b>				
Balance at 1 January 2020	1	-	(34,987)	(34,986)
Effect of prior year adjustment	-	15,871,375	(66,330)	15,805,045
<b>As restated</b>	<b>1</b>	<b>15,871,375</b>	<b>(101,317)</b>	<b>15,770,059</b>
<b>Year ended 31 December 2020:</b>				
Loss and total comprehensive loss for the year	-	-	(227,901)	(227,901)
Capital contributions	-	19,789,592	-	19,789,592
<b>Balance at 31 December 2020 (as restated)</b>	<b>1</b>	<b>35,660,967</b>	<b>(329,218)</b>	<b>35,331,750</b>
<b>Year ended 31 December 2021:</b>				
Loss and total comprehensive loss for the year	-	-	(30,394,751)	(30,394,751)
Capital contributions	-	9,729,753	-	9,729,753
<b>Balance at 31 December 2021</b>	<b>1</b>	<b>45,390,720</b>	<b>(30,723,969)</b>	<b>14,666,752</b>

Share capital represents the aggregate nominal value of all ordinary shares in issue. Profit and loss reserves include all current profit and losses.

# MAYO CLINIC (UK) LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

#### Company information

Mayo Clinic (UK) Ltd (registration number: 10951827) is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 3 More London Riverside, London, SE1 2AQ.

#### 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 £1.

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

The company has taken advantage of the exemption not to disclose transactions with entities that are part of the group and not to prepare a Statement of Cash Flows on the grounds that the company is small.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

#### Going concern

The company has net current assets of £5,159,835 (2020: £16,421,749) and made a loss of £30,394,751 (2020: £227,901) during the year. The company relies on continued support from its parent undertaking, Mayo Clinic, to cover operating losses whilst the company and its investments grow and progress to profitability and enable it to meet its liabilities as they fall due for at least twelve months from the date of approval of these financial statements. The directors of the company have received an unconditional letter of financial support from Mayo Clinic in order to continue to meet its operational and financial liabilities as they arise, for a period to 31 January 2024. The directors have satisfied themselves that the parent undertaking has the means and ability to provide any necessary financial support. As such, at the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence until 31 January 2024 which is twelve months from the date of approval of these financial statements. Thus the directors adopt the going concern basis of accounting in preparing the financial statements.

#### Fixed asset investments

The company owns a controlling interest in an LLP. This investment is initially measured at cost and subsequently measured at cost less any accumulated impairment losses. Interests in subsidiaries 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.

#### Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

# MAYO CLINIC (UK) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 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 when the company becomes party to the contractual provisions of the instrument.

Financial 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 amounts owed by group undertakings, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost being transaction price less amounts settled.

#### **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 other creditors and amounts owed to group undertakings, are initially recognised at transaction price and subsequently carried at amortised cost being transaction price less amounts settled.

#### **Equity instruments**

Equity instruments issued by the company are recorded at the fair value of 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.

#### **Capital contribution**

Funding contributions from the ultimate parent are recognised at fair value of the funding received by the company. Funding contributions are required to settle the obligation in cash or another financial asset only in the event of liquidation of the Company, and the amount is considered a capital contribution.

#### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

#### **Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

# MAYO CLINIC (UK) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies (Continued)

#### **Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease.

#### **Foreign exchange**

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

### 2 Judgements and key sources of estimation uncertainty

In preparing the financial statements, the company has made significant judgements, estimates and assumptions that impact on the carrying value of certain assets and liabilities, income and expenses as well as other information reported in the notes. The company periodically monitors such estimates and assumptions and makes sure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### ***Impairment of fixed asset investments***

The company makes an estimate of the recoverable value of its investments. When assessing the impairment of investments, management considers whether the carrying amount of the investment exceeds its recoverable amount, and whether an impairment loss needs to be recognised in order to reflect the recoverable amount.

Management determined the cash generating unit to be the LLP as a whole as it is the lowest aggregation of assets that generate largely independent cash flows. The carrying amount of the CGU is determined by including the assets that are directly attributed to the CGU and that generates the future cash inflows used in determining the CGU's value in use and liabilities that were considered in determining the recoverable amount of the CGU.

In determining value in use for the CGU, the cash flows were discounted at a rate of 5.98% on a pre-tax basis. The projected cash flows have been updated to reflect the lower than expected demand for the clinic's services and cash flows beyond the five-year period are extrapolated using a 2% growth rate, which is less than the historical average growth rates and is used on the basis that business growth will be restricted after five years.

See note 5 for the net carrying amounts and associated impairment provision.

# MAYO CLINIC (UK) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 2 Judgements and key sources of estimation uncertainty (Continued)

#### **Recoverability of debtors**

The company estimates the recoverable value of debtors. When assessing recoverability, the directors consider factors such as the ageing of the debtors, past experience of recoverability, and the credit profile of individual or groups of debtors. See note 6 for the net carrying amounts of debtors and the associated impairment loss.

### 3 Prior period adjustment

The directors have reviewed the treatment of a facility balance due to the parent entity, Mayo Clinic US. The balance had previously been classified as being held in US Dollars as this is the parent undertakings functional currency which subsequently lead to it being retranslated into GBP at the rate of exchange ruling at each the reporting date. However, it was determined that the facility balance and subsequent financing from the parent company has been intended to be settled in GBP since inception, thus the retranslations made in the previous years were incorrect. The prior period adjustment has been processed to remove each retranslation and present the balance at its original GBP value as issued.

The directors also identified that the facility balance was intended since inception to be a capital contribution from the parent company as the terms attached to its repayment are only in the event of liquidation of the Company. In addition to the prior period adjustment noted above the facility balance has been reclassified from other creditors to being held within a capital contribution reserve in equity.

The effects of the adjustments are as follows:

#### **Changes to the statement of financial position**

	As previously reported £	Adjustment at 1 Jan 2020 £	Adjustment at 31 Dec 2020 £	As restated at 31 Dec 2020 £
<b>Creditors due within one year</b>				
Amounts owed to group undertakings	(34,394,525)	15,805,045	18,589,480	-
<b>Capital and reserves</b>				
Capital contribution reserve	-	15,871,375	19,789,592	35,660,967
Profit and loss	937,224	(66,330)	(1,200,112)	(329,218)
Total equity	937,225	15,805,045	18,589,480	35,331,750

#### **Changes to the income statement**

	As previously reported £	Adjustment £	As restated £
<b>Period ended 31 December 2020</b>			
Foreign exchange gains	1,200,112	(1,200,112)	-
Profit/(loss) for the financial period	972,211	(1,200,112)	(227,901)

### 4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Total	4	5



# MAYO CLINIC (UK) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 4 Employees (Continued)

The remuneration costs of the directors were borne by another group company in relation to their work for this Company. It is not practicable to determine the amounts which are attributable to this Company.

### 5 Fixed asset investments

	2021 £	2020 £
Shares in group undertakings	9,506,917	18,910,001

At the reporting date, the company directly owned 99% of the ordinary equity capital of Mayo Clinic Healthcare LLP, a partnership incorporated and domiciled in England and Wales. The address of the registered office of the investee is: 15 Portland Place, Marylebone, London, W1B 1PT, United Kingdom.

The company indirectly owned the remaining 1% of the ordinary equity capital of Mayo Clinic Healthcare LLP through its subsidiary, Mayo Clinic (UK) 2 Limited. The company directly owned 100% of the ordinary share capital of Mayo Clinic (UK) 2 Ltd, a company incorporated and domiciled in England and Wales. The address of the registered office of the investee is: 3 More London Riverside, London, SE1 2AQ, United Kingdom.

At the year end date, a subsidiary of the company performed an impairment review on its cash-generating unit, leading to the recognition of a significant impairment. As a result the company believes there is a strong indication of the need for impairment of its investment in the subsidiary, and the finance provided to the subsidiary in the form of a loan. This has resulted the impairment loss shown below, along with a related impairment charge against the group debtor. The impairment charge is included within other gains and losses. The impairment loss shown below represents £9,303,083 (2020: £Nil) in relation to the investment in Mayo Clinic Healthcare LLP, and £100,001 (2020: £Nil) in relation to the investment in Mayo Clinic (UK) 2 Ltd.

#### Movements in fixed asset investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 January 2021 & 31 December 2021	18,910,001
<b>Impairment</b>	
At 1 January 2021	-
Impairment losses	9,403,084
At 31 December 2021	9,403,084
<b>Carrying amount</b>	
At 31 December 2021	9,506,917
At 31 December 2020	18,910,001

# MAYO CLINIC (UK) LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 6 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Amounts owed by group undertakings	-	10,976,299

Amounts owed by group undertakings are unsecured, interest free and repayable on demand. This balance has been impacted in the year by an impairment review, details of which can be found in note 5.

During the year, an impairment loss of £20,801,181 (2020: £Nil) was recognised in the profit and loss in respect of amounts owed by group undertakings.

### 7 Creditors: amounts falling due within one year

	2021	2020 as restated
	£	£
Amounts owed to group undertakings	29,680	-
Other creditors	36,760	31,500
	66,440	31,500

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

### 8 Called up share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid 1 ordinary share of £1 each	1	1	1	1

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

### 9 Reserves

#### Profit and loss reserves

Profit and loss reserves include all current profit and losses.

#### Capital contribution reserves

Capital contribution reserves include additional working capital provided to the company by its parent which is required to be settled only in the event of the liquidation of the Company.

### 10 Ultimate parent company and ultimate controlling party

The directors consider the ultimate parent undertaking to be Mayo Clinic, a not for profit institution incorporated in the United States of America.

Mayo Clinic is the immediate parent, and is the smallest and largest group for which consolidated accounts are drawn up of which the company is a member. The registered office address of Mayo Clinic is Rochester, MN 55905-0001, United States of America.

# **MAYO CLINIC (UK) LTD**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **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 Jane Turnor.  
The auditor was Ernst & Young LLP.