

Company registration number 04261709 (England and Wales)

HOSPITAL INNOVATIONS LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022
PAGES FOR FILING WITH REGISTRAR

HOSPITAL INNOVATIONS LIMITED

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HOSPITAL INNOVATIONS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2022

		2022	2021
	Notes	£	£
Fixed assets			
Tangible assets	4	1,163,983	1,219,598
Investment properties	5	200,000	200,000
Investments	6	20	20
		<u>1,364,003</u>	<u>1,419,618</u>
Current assets			
Stocks		457,215	355,137
Debtors	8	1,007,787	679,946
Cash at bank and in hand		280,233	138,973
		<u>1,745,235</u>	<u>1,174,056</u>
Creditors: amounts falling due within one year	9	<u>(1,564,733)</u>	<u>(1,076,542)</u>
Net current assets		<u>180,502</u>	<u>97,514</u>
Total assets less current liabilities		<u>1,544,505</u>	<u>1,517,132</u>
Creditors: amounts falling due after more than one year	10	(324,357)	(525,264)
Provisions for liabilities	12	(219,428)	(201,080)
Net assets		<u>1,000,720</u>	<u>790,788</u>
Capital and reserves			
Called up share capital		100	100
Revaluation reserve	13	519,268	579,421
Profit and loss reserves		481,352	211,267
Total equity		<u>1,000,720</u>	<u>790,788</u>

HOSPITAL INNOVATIONS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2022

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

For the financial year ended 31 March 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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 and signed by the director and authorised for issue on 20 December 2022

Mr W P Davies
Director

Company Registration No. 04261709

HOSPITAL INNOVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

Hospital Innovations Limited is a private company limited by shares incorporated in England and Wales. The registered office is Concept House, Talbot Green Business Park, Pontyclun, Mid Glamorgan, United Kingdom, CF72 9FG.

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, modified to include the revaluation of leasehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

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.

1.2 Turnover and revenue recognition

Turnover is recognised at the fair value of the consideration received or receivable for goods 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.

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.

1.3 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.

1.4 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:

Freehold land and buildings	2% straight line
Leasehold land and buildings	10% straight line
Plant and machinery	15% straight line
Fixtures, fittings & equipment	25% - 33% straight line
Office equipment	15% straight line

HOSPITAL INNOVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Freehold land is not depreciated.

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.

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.6 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.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

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.

1.8 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 cost and replacement cost, adjusted where applicable for any loss of service potential.

HOSPITAL INNOVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

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.

1.9 Cash and cash equivalents

Cash and cash equivalents 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.

1.10 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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

HOSPITAL INNOVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

1.11 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.

1.12 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.13 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.

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.

HOSPITAL INNOVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.14 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.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 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 except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.17 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these 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.

HOSPITAL INNOVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

3 Employees

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

	2022 Number	2021 Number
Total	16	18

4 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 April 2021	1,190,178	60,927	102,682	124,940	625,363	2,104,090
Additions	6,705	-	-	-	18,852	25,557
At 31 March 2022	1,196,883	60,927	102,682	124,940	644,215	2,129,647
Depreciation and impairment						
At 1 April 2021	58,121	51,085	78,144	113,002	584,140	884,492
Depreciation charged in the year	34,774	5,376	8,584	6,822	25,616	81,172
At 31 March 2022	92,895	56,461	86,728	119,824	609,756	965,664
Carrying amount						
At 31 March 2022	1,103,988	4,466	15,954	5,116	34,459	1,163,983
At 31 March 2021	1,132,057	9,842	24,538	11,938	41,223	1,219,598

Land and buildings with a carrying amount of £1,185,000 were revalued during 2019 by Chris Clarke Surveyors Limited, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

The director has reviewed the valuation at 31 March 2022 and is of the opinion that the market value of land and buildings does not materially differ to the above valuation.

The revaluation surplus is disclosed in note 13.

The following assets are carried at valuation. If the assets were measured using the cost model, the carrying amounts would be as follows:

HOSPITAL INNOVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

4 Tangible fixed assets (Continued)

	2022 £	2021 £
Cost	588,423	581,718
Accumulated depreciation	(119,645)	(96,250)
Carrying value	<u>468,778</u>	<u>485,468</u>

5 Investment property

	2022 £
Fair value	
At 1 April 2021 and 31 March 2022	<u>200,000</u>

Investment property comprises a leasehold property. The fair value of the investment property has been arrived at on the basis of a valuation carried out by the director.

6 Fixed asset investments

	2022 £	2021 £
Shares in group undertakings and participating interests	<u>20</u>	<u>20</u>

7 Subsidiaries

Details of the company's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Hospital Innovations Inc.	United States of America	Ordinary	100.00
iCurtis Limited	United Kingdom	Ordinary	100.00
iDente Limited	United Kingdom	Ordinary	100.00
iFortis Limited	United Kingdom	Ordinary	100.00
iGraft Limited	United Kingdom	Ordinary	100.00
iHip Limited	United Kingdom	Ordinary	100.00
iJoint Limited	United Kingdom	Ordinary	100.00
iOrtho Limited	United Kingdom	Ordinary	100.00
iSpine Limited	United Kingdom	Ordinary	100.00
iStruments Limited	United Kingdom	Ordinary	100.00
iSupport Limited	United Kingdom	Ordinary	100.00
iSurance Limited	United Kingdom	Ordinary	100.00
iSurge Limited	United Kingdom	Ordinary	100.00
iTrauma Limited	United Kingdom	Ordinary	100.00
Whitebox Medical Limited	United Kingdom	Ordinary	100.00

HOSPITAL INNOVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

7 Subsidiaries (Continued)

The investments in subsidiaries are all stated at cost.

8 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	747,253	494,727
Other debtors	260,534	185,219
	<u>1,007,787</u>	<u>679,946</u>

9 Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts	219,372	242,626
Trade creditors	542,482	370,351
Corporation tax	165,704	88,452
Other taxation and social security	50,447	72,135
Other creditors	586,728	302,978
	<u>1,564,733</u>	<u>1,076,542</u>

Included within other creditors is £0 (2021: £128,189) due to HSBC Invoice Finance (UK) Limited relating to the company's invoice discounting facility.

10 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Bank loans and overdrafts	<u>324,357</u>	<u>525,264</u>
Creditors which fall due after five years are as follows:		
	2022	2021
	£	£
Payable by instalments	<u>-</u>	<u>45,000</u>

HOSPITAL INNOVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

11 Loans and overdrafts

	2022 £	2021 £
Bank loans	543,488	757,763
Bank overdrafts	241	10,127
	<u>543,729</u>	<u>767,890</u>
Payable within one year	219,372	242,626
Payable after one year	<u>324,357</u>	<u>525,264</u>

A debenture is held over the assets of the company by HSBC Bank Plc over all the Company's liabilities to them in relation to any kind and in any currency (whether present or future actual or contingent and whether incurred alone or jointly with another).

HSBC Bank Plc also hold legal mortgage charges in relation to the freehold of Unit 1 Talbot Green Business Park and the leasehold investment property, 3 Thomas Court, as well as a legal assignment of contract monies.

12 Provisions for liabilities

	2022 £	2021 £
Deferred tax liabilities	<u>219,428</u>	<u>201,080</u>

13 Fair value reserve

	2022 £	2021 £
At the beginning of the year	579,421	620,800
Deferred tax on revaluation of tangible assets	(48,774)	-
Other movements	<u>(11,379)</u>	<u>(41,379)</u>
At the end of the year	<u>519,268</u>	<u>579,421</u>

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.