

Company Registration No. SC243637 (Scotland)

GLASGOW MEMORY CLINIC LTD
FINANCIAL STATEMENTS
FOR THE 18 MONTH PERIOD ENDED 30 SEPTEMBER 2020
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GLASGOW MEMORY CLINIC LTD

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GLASGOW MEMORY CLINIC LTD**BALANCE SHEET****AS AT 30 SEPTEMBER 2020**

| | Notes | 2020 | | 2019 as restated | |
|--|-------|------------------|------------------|---------------------|------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 3 | | 1,154,408 | | 354,945 |
| Current assets | | | | | |
| Debtors | 4 | 333,662 | | 5,026,096 | |
| Cash at bank and in hand | | 848,272 | | 2,942,504 | |
| | | <u>1,181,934</u> | | <u>7,968,600</u> | |
| Creditors: amounts falling due within one year | 5 | <u>(778,595)</u> | | <u>(1,863,542)</u> | |
| Net current assets | | | 403,339 | | 6,105,058 |
| Total assets less current liabilities | | | <u>1,557,747</u> | | <u>6,460,003</u> |
| Creditors: amounts falling due after more than one year | 6 | | (523,725) | | - |
| Provisions for liabilities | | | (18,139) | | (28,560) |
| Net assets | | | <u>1,015,883</u> | | <u>6,431,443</u> |
| Capital and reserves | | | | | |
| Called up share capital | 7 | | 100 | | 100 |
| Profit and loss reserves | | | 1,015,783 | | 6,431,343 |
| Total equity | | | <u>1,015,883</u> | | <u>6,431,443</u> |

The director of the company has 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 and signed by the director and authorised for issue on 29 June 2021

Dr F Inglis
Director

Company Registration No. SC243637

GLASGOW MEMORY CLINIC LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 18 MONTH PERIOD ENDED 30 SEPTEMBER 2020

1 Accounting policies

Company information

Glasgow Memory Clinic Ltd is a private company limited by shares incorporated in Scotland. The registered office is Excel House, 1 Renshaw Place, Motherwell, United Kingdom, ML1 4UF.

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 freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The company pays continued attention to the COVID-19 pandemic and the associated impact on the business. The risks to the business include:

- Interruption to operations due to an absence of staff for a period due to either contracting the virus or government lockdown measures taken to contain the outbreak;
- A fall in revenue and decreased cash flow due to lower general economic activity throughout the UK.

The current and future financial position of the company, its cash flows and liquidity position has been reviewed by the director.

Following this review, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. This includes ensuring the company has sufficient headroom to meet any additional forecast cash requirements that would be contingent on an extended downturn in activity in relation to the COVID-19 pandemic.

As such, the director considers that it is appropriate to prepare the financial statements on the going concern basis.

1.3 Reporting period

The director has extended the current accounting period to 30 September in order to align the year end of the company with that of the ultimate parent company following a reorganisation subsequent to the year end (refer to note 9 for further information). As such, the director presents financial statements for the 18 month period to 30 September 2020. Comparative amounts presented in the financial statements (including the related notes) are therefore not entirely comparable.

1.4 Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Turnover is recognised when a service has been delivered against binding obligation on the customer and the right to the consideration has been earned by the company.

1.5 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.

GLASGOW MEMORY CLINIC LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE 18 MONTH PERIOD ENDED 30 SEPTEMBER 2020****1 Accounting policies****(Continued)**

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 | 10% on reducing balance |
| Leasehold improvements | 20% on reducing balance |
| Plant and equipment | 20% on reducing balance |
| Fixtures and fittings | 20% on reducing balance |
| Computers | 20% on 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.

1.6 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.

1.7 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.

1.8 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.

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.

GLASGOW MEMORY CLINIC LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 18 MONTH PERIOD ENDED 30 SEPTEMBER 2020

1 Accounting policies

(Continued)

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.

1.9 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.

1.10 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.

1.11 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.

1.12 Retirement benefits

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

1.13 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.

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.

GLASGOW MEMORY CLINIC LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE 18 MONTH PERIOD ENDED 30 SEPTEMBER 2020****1 Accounting policies (Continued)****1.14 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.

1.15 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.

1.16 Research and development

Research and development expenditure is written off to the income statement in the year in which it is incurred.

2 Employees

The average monthly number of persons (including directors) employed by the company during the 18 month period was:

| | 2020 | 2019 |
|-------|-------------------|-------------------|
| | Number | Number |
| Total | 36 | 46 |
| | <u> </u> | <u> </u> |

GLASGOW MEMORY CLINIC LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE 18 MONTH PERIOD ENDED 30 SEPTEMBER 2020****3 Tangible fixed assets**

| | Land and buildings | Plant and machinery etc | Total |
|---|-----------------------|----------------------------|------------------|
| | £ | £ | £ |
| Cost | | | |
| At 1 April 2019 | 442,982 | 433,979 | 876,961 |
| Additions | 1,030,364 | 34,304 | 1,064,668 |
| Disposals | (431,202) | (95,050) | (526,252) |
| | <u>1,042,144</u> | <u>373,233</u> | <u>1,415,377</u> |
| At 30 September 2020 | 1,042,144 | 373,233 | 1,415,377 |
| Depreciation and impairment | | | |
| At 1 April 2019 | 240,881 | 281,135 | 522,016 |
| Depreciation charged in the 18 month period | 29,066 | 43,335 | 72,401 |
| Eliminated in respect of disposals | (262,876) | (70,572) | (333,448) |
| | <u>7,071</u> | <u>253,898</u> | <u>260,969</u> |
| At 30 September 2020 | 7,071 | 253,898 | 260,969 |
| Carrying amount | | | |
| At 30 September 2020 | <u>1,035,073</u> | <u>119,335</u> | <u>1,154,408</u> |
| At 31 March 2019 | <u>202,101</u> | <u>152,844</u> | <u>354,945</u> |

4 Debtors

| | 2020 | 2019 |
|---|----------------|------------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 93,698 | 3,221,255 |
| Corporation tax recoverable | 53,753 | - |
| Other debtors | 116,393 | 626,492 |
| Prepayments and accrued income | 69,818 | 1,178,349 |
| | <u>333,662</u> | <u>5,026,096</u> |

5 Creditors: amounts falling due within one year

| | 2020 | 2019 |
|------------------------------------|----------------|------------------|
| | £ | £ |
| Bank loans | 53,219 | - |
| Trade creditors | 247,323 | 105,992 |
| Corporation tax | - | 424,973 |
| Other taxation and social security | 20,966 | 904,932 |
| Other creditors | 2,912 | 75,326 |
| Accruals and deferred income | 454,175 | 352,319 |
| | <u>778,595</u> | <u>1,863,542</u> |

GLASGOW MEMORY CLINIC LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE 18 MONTH PERIOD ENDED 30 SEPTEMBER 2020****6 Creditors: amounts falling due after more than one year**

| | Notes | 2020 £ | 2019 £ |
|---------------------------|-------|-----------|-----------|
| Bank loans and overdrafts | | 523,725 | - |

The bank loan is secured by a bond and floating charge over the whole of Glasgow Memory Clinic's property and undertaking.

7 Called up share capital

| | 2020 Number | 2019 Number | 2020 £ | 2019 £ |
|---|----------------|----------------|-----------|-----------|
| Ordinary share capital Issued and fully paid | | | | |
| Ordinary shares of 1p each | 10,000 | 10,000 | 100 | 100 |

8 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 Greig McKnight.

The auditor was Azets Audit Services.

9 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:

| 2020 £ | 2019 £ |
|-----------|-----------|
| 11,968 | 475,866 |

10 Events after the reporting date

On 20 November 2020 Glasgow Memory Clinic Holdings Limited acquired 100% of the issued share capital of the company as part of a group restructure.

As part of the restructure, the property owned by the company (per note 3) was sold to a related party and is now leased on a long term basis.

GLASGOW MEMORY CLINIC LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE 18 MONTH PERIOD ENDED 30 SEPTEMBER 2020****11 Related party transactions****Transactions with related parties**

During the 18 month period the company entered into the following transactions with related parties:

| | 2020 £ | 2019 £ |
|-----------------------------------|-------------------|-------------------|
| Dividends paid to related parties | 1,600,000 | 750,000 |
| | <u> </u> | <u> </u> |

The following amounts were outstanding at the reporting end date:

The following amounts were outstanding at the reporting end date:

| | 2020 £ | 2019 £ |
|---|-------------------|-------------------|
| Amounts due from related parties | | |
| Key management personnel | 76,638 | 618,748 |
| | <u> </u> | <u> </u> |

12 Parent company

As at 30 September 2020 the ultimate controlling party was Dr F Inglis by virtue of his controlling interest in the share capital of the company.

On 20 November 2020 Glasgow Memory Clinic Holdings Limited acquired 100% of the issued share capital of the company as part of a group restructure.

13 Prior period adjustment**Reconciliation of changes in equity**

| | Notes | 1 April 2018 £ | 31 March 2019 £ |
|---------------------------------------|-------|----------------------|-----------------------|
| Adjustments to prior period | | | |
| Write off fixed asset investment | 1 | (3,135,000) | (3,135,000) |
| Forgive loan from related undertaking | 2 | 128,558 | 128,558 |
| | | <u> </u> | <u> </u> |
| Total adjustments | | (3,006,442) | (3,006,442) |
| Equity as previously reported | | 5,713,430 | 9,437,885 |
| | | <u> </u> | <u> </u> |
| Equity as adjusted | | 2,706,988 | 6,431,443 |
| | | <u> </u> | <u> </u> |

Notes to reconciliation**(1) Write off fixed asset investment**

The company has restated its comparative figures to correct the carrying value of a fixed asset investment. The profit and loss impact of the adjustments affects the period prior to 1 April 2018 and, as such, there is no impact on the previously reported profit for the prior year.

GLASGOW MEMORY CLINIC LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 18 MONTH PERIOD ENDED 30 SEPTEMBER 2020

13 Prior period adjustment

(Continued)

(2) Forgive loan from related undertaking

The company has restated its comparative figures to reflect the forgiveness of a loan from a related undertaking. The profit and loss impact of the adjustments affects the period prior to 1 April 2018 and, as such, there is no impact on the previously reported profit for the prior year.

