Registration number: 11523443

APPOSITE IMAGING HOLDINGS COMPANY LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
GL50 3AT

APPOSITE IMAGING HOLDINGS COMPANY LIMITED

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APPOSITE IMAGING HOLDINGS COMPANY LIMITED

COMPANY INFORMATION

Directors	S Adkin S E Bird S J C Gray L E Lander A G Lennox P O Randell
Registered office	45 Queen Anne Street Marylebone London W1G 9JF
Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

APPOSITE IMAGING HOLDINGS COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report and the for the year ended 31 March 2021.

Directors of the company
The directors who held office during the year were as follows:

S Adkin

S E Bird

S J C Gray

L E Lander

A G Lennox

P O Randell

Financial instruments

Objectives and policies

The board constantly monitors the Group's trading results and revise projections as appropriate to ensure that the Group can meet its future obligations as they fall due.

Price risk, credit risk, liquidity risk and cash flow risk

The Group is exposed to the usual credit and cash flow risks associated with selling on credit and manages this through credit control procedures. The Group's bank loans and loan stock are subject to price and liquidity risk as disclosed in note 16 to the financial statements.

In accordance with the Financial Reporting Council's 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009', the directors of all companies are now required to provide disclosures regarding the adoption of the going concern basis of accounting.

The Group has sufficient resources available and the directors have prepared forecasts for the next 12 months that indicate that this will continue to be the case and that these cash flows will be sufficient for the Group to meet its financing commitments as they fall due. The directors therefore have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements.

Disclosure of information to the auditor
Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

29/3/2022

Approved by the Board on .... and signed on its behalf by:

Oliver Randell
....
P O Randell
Director

APPOSITE IMAGING HOLDINGS COMPANY LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their strategic report for the year ended 31 March 2021.

Principal activity
The principal activity of the company is that of a holding company. The principal activity of the group is the provision of medical imaging and health diagnostic services.

Fair review of the business
The results for the period, which are set out in the consolidated profit and loss account, show turnover of £11,050,760 (2020 - £11,711,789) and an operating loss of £2,252,100 (2020 - £1,231,971). At 31 March 2021, the Group had total assets less current liabilities of £12,007,287 (2020 - £9,175,839). The directors consider the performance for the period and the financial position at the period end to be satisfactory.

The Group uses a number of financial key performance indicators (KPIs), the principal KPIs are:
- Turnover and loss before tax as noted on page 8;
- MRI activity and fee income;
- % NHS/Private patient income;
- Equipment capacity and utilisation;
- Revenue per clinical hour; and
- Staff cost per test.

Principal risks and uncertainties
Our NHS activity is contracted to delivery capacity to meet demand stipulated by commissioners and demand can therefore fluctuate according to local commissioning priorities. NHS tariff for diagnostic examinations has reduced year on year for many consecutive financial periods. The business therefore faces pricing pressure in most areas of delivery, as health insurers also seek best value of money for their clients. This is addressed by our new model of care, a continuous focus on cost effective delivery and efficiency.

Whilst the pandemic infection rates continue to have peaks and troughs, there will continue to be uncertainty on the recovery rates of elective activity in the UK. This may translate into some variability in month by month demand placed on independent sector (IS) providers by the NHS, but is likely to be offset by an increased private pay demand as patients seek to avoid waiting lists.

Future developments
The Richards Review and the GIRFT Report delivered in Q4 2020 both highlighted the need for clear segregation of acute diagnostics (to be done in hospitals) and elective activity to be delivered in community settings. These recommendations have now been adopted by NHSE/I and two Community Diagnostic Centre (CDC) frameworks established to enable commissioning. The NHS's own diagnostic growth forecasts are at 8-17% pa for the next few years with the largest growth in the South East where the Group is predominately based.

With the Group having won places on both CDC frameworks, there is significant potential to take advantage of the resultant demand and to expand existing work with the NHS. There is also opportunity for rapid growth within the private payor markets building on the proven success of the three Prime Health clinics in Surrey, London, and Manchester.

With the NHS and Royal College of Radiology both reporting a future shortfall of skilled workforce in image reporting (Consultant Radiologists), the teleradiology potential that the Group has demonstrated is likely to be in great demand in the coming months and years.

29/3/2022

Approved by the Board on .... and signed on its behalf by:

Oliver Randell
....
P O Randell
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report, Strategic 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 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 group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APPOSITE IMAGING HOLDINGS COMPANY LIMITED

Opinion

We have audited the financial statements of Apposite Imaging Holdings Company Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APPOSITE IMAGING HOLDINGS COMPANY LIMITED

Opinion on other matter prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APPOSITE IMAGING HOLDINGS COMPANY LIMITED

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Martin Howard

....

Martin Howard (Senior Statutory Auditor)

For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

Date: 29/3/2022

APPOSITE IMAGING HOLDINGS COMPANY LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Turnover	3	11,050,760	11,711,789
Cost of sales		(5,136,135)	(5,258,132)
Gross profit		5,914,625	6,453,657
Administrative expenses		(6,743,313)	(6,149,630)
Other operating income	4	487,195	373,381
Operating (loss)/profit before exceptional items and depreciation		(341,493)	677,408
Exceptional items	6	(429,700)	(406,805)
Depreciation		(1,480,907)	(1,502,574)
Operating loss	5	(2,252,100)	(1,231,971)
Other interest receivable and similar income		15	998
Interest payable and similar charges	7	(300,729)	(346,083)
Loss before tax		(2,552,814)	(1,577,056)
Taxation	11	1,836,767	-
Loss for the financial year		(716,047)	(1,577,056)

The above results were derived from continuing operations.

The group has no other comprehensive income for the year.

APPOSITE IMAGING HOLDINGS COMPANY LIMITED

(REGISTRATION NUMBER: 11523443)
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	12	4,073,665	4,650,550
Tangible assets	13	4,073,281	4,893,739
Other financial assets	15	185,000	150,000
		8,331,946	9,694,289
Current assets			
Debtors	16	4,979,346	2,622,762
Cash at bank and in hand		3,037,343	772,015
		8,016,689	3,394,777
Creditors: Amounts falling due within one year	17	(4,341,348)	(3,913,227)
Net current assets/(liabilities)		3,675,341	(518,450)
Total assets less current liabilities		12,007,287	9,175,839
Creditors: Amounts falling due after more than one year	17	18,120,375	14,573,720
Capital and reserves			
Called up share capital	20	3,594	1,028
Other reserves		2,761,497	2,763,223
Profit and loss account		(8,878,179)	(8,162,132)
Equity attributable to owners of the company		(6,113,088)	(5,397,881)
Total capital, reserves and long term liabilities		12,007,287	9,175,839

29/3/2022

Approved and authorised by the Board on .... and signed on its behalf by:

Oliver Randell

....

P O Randell
Director

APPOSITE IMAGING HOLDINGS COMPANY LIMITED

(REGISTRATION NUMBER: 11523443)
BALANCE SHEET AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	14	4,386,149	4,384,423
Current assets			
Debtors	16	3,569,879	2,581,232
Cash at bank and in hand		2,620,799	62,547
		6,190,678	2,643,779
Creditors: Amounts falling due within one year	17	(17,251)	(229,090)
Net current assets		6,173,427	2,414,689
Total assets less current liabilities		10,559,576	6,799,112
Creditors: Amounts falling due after more than one year	17	10,582,240	6,812,870
Capital and reserves			
Called up share capital	20	3,594	1,028
Profit and loss account		(26,258)	(14,786)
Total equity		(22,664)	(13,758)
Total capital, reserves and long term liabilities		10,559,576	6,799,112

The company made a loss after tax for the financial year of £11,472.

29/3/2022

Approved and authorised by the Board on .... and signed on its behalf by:

Oliver Randell

....

P O Randell
Director

APPOSITE IMAGING HOLDINGS COMPANY LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY

	Share capital £	Other reserves £	Profit and loss account £	Total £
At 1 April 2020	1,028	2,763,223	(8,162,132)	(5,397,881)
Loss for the year	-	-	(716,047)	(716,047)
New share capital subscribed	2,566	-	-	2,566
Merger adjustment, decrease in equity	-	(1,726)	-	(1,726)
At 31 March 2021	3,594	2,761,497	(8,878,179)	(6,113,088)

	Share capital £	Other reserves £	Profit and loss account £	Total £
At 1 April 2019	1,028	2,763,223	(6,585,076)	(3,820,825)
Loss for the year	-	-	(1,577,056)	(1,577,056)
At 31 March 2020	1,028	2,763,223	(8,162,132)	(5,397,881)

Other reserves above represents the merger reserve created on the group reconstruction that resulted in Apposite Imaging Holdings Company Limited acquiring the majority of the shares of Medical Imaging Partnership Limited by way of share-for-share exchange in September 2018. Further details can be found in note 2.

During the year the company issued a further 1,726 ordinary shares to acquire the remaining shares in Medical Imaging Partnership Limited. As before, these shares have been accounted for at nominal value in accordance with the Companies Act 2006, with a corresponding adjustment to the merger reserve on consolidation.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Share capital £	Profit and loss account £	Total £
At 1 April 2020	1,028	(14,786)	(13,758)
Loss for the year	-	(11,472)	(11,472)
New share capital subscribed	2,566	-	2,566
At 31 March 2021	3,594	(26,258)	(22,664)

	Share capital £	Profit and loss account £	Total £
At 1 April 2019	1,028	(2,460)	(1,432)
Loss for the year	-	(12,326)	(12,326)
At 31 March 2020	1,028	(14,786)	(13,758)

APPOSITE IMAGING HOLDINGS COMPANY LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Note	2020 £	2019 £
Cash flows from operating activities			
Loss for the year		(716,047)	(1,577,056)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	1,480,907	1,500,176
Loss on disposal of tangible assets		-	2,397
Finance income		(15)	(998)
Finance costs	7	300,729	346,083
Income tax expense	11	(1,836,767)	-
		(771,193)	270,602
Working capital adjustments			
Increase in debtors	16	(520,166)	(70,109)
Increase in creditors	17	201,028	1,060,009
Net cash flow from operating activities		(1,090,331)	1,260,502
Cash flows from investing activities			
Interest received		15	998
Acquisitions of tangible assets		(83,564)	(610,125)
Proceeds from sale of tangible assets		-	27,800
Purchase of unlisted investments		(35,000)	-
Net cash flows from investing activities		(118,549)	(581,327)
Cash flows from financing activities			
Interest paid		(163,288)	(328,911)
Issue of ordinary shares		840	-
Issue of preference shares		1,350,000	-
Proceeds from bank borrowings		600,000	-
Proceeds from other borrowings		2,300,000	-
Repayment of finance leases		(613,344)	(870,510)
Net cash flows from financing activities		3,474,208	(1,199,421)
Net increase/(decrease) in cash and cash equivalents		2,265,328	(520,246)
Cash and cash equivalents at 1 April 2019 and 17 August 2018		772,015	1,292,261
Cash and cash equivalents at 31 March		3,037,343	772,015

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:
45 Queen Anne Street
Marylebone
London
W1G 9JF

2 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance
These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation
These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Going concern
The directors have reviewed the group's projections for the future and have reasonable expectation that the group and company will have adequate resources to continue in operational existence for the foreseeable future. The company's ability to continue as a going concern is reliant on the support of its creditors and in the opinion of the directors this support will continue for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Basis of consolidation
The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2021.

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

The acquisition of Medical Imaging Partnership Limited by Apposite Imaging Holdings Company Limited on 14 September 2018 was effected via a share-for-share exchange. The respective rights and control of shareholders was not changed by this transaction, which effectively resulted in a new holding company being inserted between the existing shareholders and the subsidiary. As a result, and in accordance with the principles of section 19 of FRS 102, the transaction has been accounted for as a group reconstruction and merger accounting has been applied. The results of Medical Imaging Partnership Limited fo the full year ended 31 March 2019 have been included in the consolidated profit and loss account. Comparative amounts throughout the financial statements represent those of Medical Imaging Partnership Limited only, except for balances contained within equity which have been stated as if the current capital structure was in place at 31 March 2018. No goodwill has been recognised on the acquisition. A merger reserve has been created within equity arising from the difference between the respective share capital values of the two companies.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group’s equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder’s share of changes in equity since the date of the combination.

Critical accounting judgements and key sources of estimation uncertainty
In the application of the company’s accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements
At year end the directors have, based on forecasted results and using their judgement, recognised a deferred tax asset on the basis that it meets the recognition criteria of an asset in that it is measureable and it is vertually certain that the accumulated taxable losses will be offset by taxable profits in the coming years.

Key sources of estimation uncertainty
No key sources of estimation uncertainty have been identified by management in preparing these financial statements other than those detailed in these accounting policies..

Revenue recognition
Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The group recognises revenue when:
The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the group's activities.

Government grants
Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Foreign currency transactions and balances
Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax
The tax expense for the period comprises and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on unused tax losses or tax credits in the group. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets
Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation
Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land and buildings	Over 25 years
Plant and machinery	50% straight line, 20% on reducing balance or 10% straight line
Motor vehicles	25% reducing balance
Fixtures and fittings	15% reducing balance
Computer equipment	33% or 20% straight line
Leasehold property improvements	20% straight line

Business combinations
Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquiisition date if the adjustment is probable and can be measured reliably.

Intangible assets
Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Negative goodwill arising on an acquisition is recognised on the face of the balance sheet on the acquisition date and subsequently the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered.

Amortisation
Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	Straight line over 10 to 20 years

Investments
Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors
Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the debtors.

Inventories
Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

Creditors
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

Borrowings
Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases
Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital
Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Financial instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Impairment

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ('CGUs') of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

APPOSITE IMAGING HOLDINGS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

3 Revenue

The total turnover of the company has been derived from its principal activity wholly undertaken in the United Kingdom and from the rendering of services.

4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2021 £	2020 £
Miscellaneous other operating income	487,195	373,381

Included in Miscellaneous other operating income is rental income of £3460,319 (2020 - £305,657) relating to the sub letting of additional office space, Grant income relating to costs included within administrative costs of £81,088 (2020 - £nil) and other miscellaneous income of £45,788 (2020 - £67,724).

5 Operating loss

Arrived at after charging/(crediting)

	2021 £	2020 £
Depreciation expense	904,022	923,292
Amortisation expense	576,885	576,885
Foreign exchange gains	-	(914)
Operating lease expense - property	1,190,523	1,094,353
Operating lease expense - plant and machinery	289,846	522,347

6 Exceptional items

	2020 £	2019 £
Exceptional expenses	429,700	406,805

Exceptional expenses in the current year comprises rebranding costs, impairment of loan to related party, non-recurring consultancy fees and market research costs, directors' bonuses, redundancy costs and recruitment costs.

Exceptional expenses in the prior year comprised non-recurring COVID-19 control costs, directors' bonuses, restructuring costs, redundancy costs and recruitment costs.

7 Interest payable and similar expenses

	2021 £	2020 £
Interest on bank overdrafts and borrowings	14	-
Interest on obligations under finance leases and hire purchase contracts	160,998	214,212
Interest expense on other finance liabilities	139,717	131,871
	300,729	346,083

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

APPOSITE IMAGING HOLDINGS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Wages and salaries	3,632,429	3,016,792
Social security costs	396,270	353,918
Pension costs, defined contribution scheme	123,149	101,199
	4,151,848	3,471,909

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2021 No.	2020 No.
Administration and support	57	55
Other departments	43	35
	100	90

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021 £	2020 £
Remuneration	631,525	565,788
Contributions paid to money purchase schemes	2,029	2,630
	633,554	568,418

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2021 No.	2020 No.
Accruing benefits under money purchase pension scheme	3	2

In respect of the highest paid director:

	2021 £	2020 £
Remuneration	189,971	221,400
Company contributions to money purchase pension schemes	9,600	1,316

10 Auditors' remuneration

	2021 £	2020 £
Audit of these financial statements	23,500	17,754
Other fees to auditors		
All other non-audit services	10,500	13,500

Non-audit services above represent statutory accounts services of £6,250 and taxation services of £4,250.

11 Taxation

Tax charged/(credited) in the profit and loss account

	2021 £	2020 £
Deferred taxation		
Arising from origination and reversal of timing differences	(497,460)	-
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	(1,339,307)	-
Total deferred taxation	(1,836,767)	-

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2020 - higher than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
Loss before tax	(2,552,814)	(1,577,056)
Corporation tax at standard rate	(489,571)	(299,641)
Effect of revenues exempt from taxation	(498)	(664)
Effect of expense not deductible in determining taxable profit (tax loss)	37,167	46,533
Deferred tax credit relating to changes in tax rates or laws	(119,390)	-
Decrease from tax losses for which no deferred tax asset was recognised	(85,230)	-
Deferred tax credit from unrecognised temporary difference from a prior period	(1,339,307)	-
Tax increase from effect of capital allowances and depreciation	160,062	154,112
Tax increase from effect of unrelieved tax losses carried forward	-	99,660
Total tax credit	(1,836,767)	-

Deferred tax

Group
Deferred tax assets and liabilities

2021	**Asset** **£**
Tax losses carried forward	1,836,767

There are £1,342,420 of unused tax losses (2020 - £7,148,226) for which no deferred tax asset is recognised in the Balance Sheet.

Effective year ends commencing 1 April 2023, the corporation tax rate increases from 19% to 25%.

12 Intangible assets

Group

	Goodwill £
Cost	
At 1 April 2020 and at 31 March 2021	5,768,851
Amortisation	
At 1 April 2020	1,118,301
Amortisation charge	576,885
At 31 March 2021	1,695,186
Carrying amount	
At 31 March 2021	4,073,665
At 31 March 2020	4,650,550

13 Tangible assets

Group

	Land and buildings £	Furniture, fittings and equipment £	Total £
Cost			
At 1 April 2020	1,899,493	6,803,164	8,702,657
Additions	-	83,564	83,564
At 31 March 2021	1,899,493	6,886,728	8,786,221
Depreciation			
At 1 April 2020	506,595	3,302,323	3,808,918
Charge for the year	108,446	795,576	904,022
At 31 March 2021	615,041	4,097,899	4,712,940
Carrying amount			
At 31 March 2021	1,284,452	2,788,829	4,073,281
At 31 March 2020	1,392,898	3,500,841	4,893,739

Included within the net book value of land and buildings above is £1,284,452 (2020 - £1,392,898) in respect of freehold land and buildings.

Assets held under finance leases and hire purchase contracts
The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2021 £	2020 £
Fixtures, fittings and equipment	1,355,468	1,984,814

14 Investments

Company

	2021
	£
Investments in subsidiaries	4,386,149

Subsidiaries	**£**
Cost and carrying amount	
At 1 April 2020 and at 31 March 2021	4,384,423
Additions	1,726
At 31 March 2021	4,386,149

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held 2021	2020
Subsidiary undertakings				
Medical Imaging Partnership Limited	England and Wales	Ord/Pref	100%	88%
3T Leasing Limited	England and Wales	Ordinary	100%	100%
Prime Health Diagnostics Ltd	England and Wales	Ordinary	100%	100%

Subsidiary undertakings

Medical Imaging Partnership Limited

The principal activity of Medical Imaging Partnership Limited is the provision of medical imaging services.

3T Leasing Limited

The principal activity of 3T Leasing Limited is the provision of premises and equipment to its trading subsidiary.

Prime Health Diagnostics Ltd

The principal activity of Prime Health Diagnostics Ltd is the provision of health diagnostic services.

15 Other financial assets

Group

	Financial assets at cost less impairment
	£
Non-current financial assets	
Cost and carrying amount	
At 1 April 2020	150,000
Additions	35,000
At 31 March 2021	185,000

16 Debtors

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	1,544,103	992,073	-	-
Amounts owed by group undertakings	-	-	3,562,412	2,542,770
Other debtors	447,158	791,237	7,467	38,462
Prepayments	1,151,318	839,452	-	-
Deferred tax assets	1,836,767	-	-	-
	4,979,346	2,622,762	3,569,879	2,581,232
Less non-current portion	(1,836,767)	-	(3,562,412)	(2,542,770)
Total current trade and other debtors	3,142,579	2,622,762	7,467	38,462

Details of non-current trade and other debtors

Group
£1,836,767 (2020 - £Nil) of deferred tax asset is classified as non-current.

Company
£3,562,412 (2020 - £2,542,770) of amounts due to related parties is classified as non current.

17 Creditors

	Note	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Due within one year					
Loans and borrowings	18	1,043,615	816,522	-	-
Trade creditors		1,328,929	1,321,906	1,350	-
Social security and other taxes		261,596	167,446	-	-
Other creditors		238,545	225,403	-	13,340
Accrued expenses		931,229	843,488	15,901	215,750
Deferred income		537,434	538,462	-	-
		4,341,348	3,913,227	17,251	229,090
Due after one year					
Loans and borrowings	18	18,120,375	14,573,720	10,582,240	6,812,870

18 Loans and borrowings

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Current loans and borrowings				
Bank borrowings	200,000	-	-	-
Finance lease liabilities	843,615	816,522	-	-
	1,043,615	816,522	-	-

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Non-current loans and borrowings				
Bank borrowings	400,000	-	-	-
Finance lease liabilities	1,327,702	1,968,139	-	-
Redeemable preference shares	12,421,707	11,071,707	8,162,870	6,812,870
Other borrowings	3,970,966	1,533,874	2,419,370	-
	18,120,375	14,573,720	10,582,240	6,812,870

Finance lease liabilities are secured on the assets to which they relate.

Included in bank borrowings above, current and non-current, is £200,000 (2020 - £nil) and £400,000 (2020 - £nil) respectively relating to a Coronavirus business loan (CBIL) repayable over a period of 3 years comencing 23 June 2020. This loan is secured by way of a fixed and floating charge over all assets and undertakings of the company both present and future.

Redeemable preference shares comprises £8,162,870 preference shares of £1 each issued by Appposite Imaging Holdings Company Limited ('AIHC'). The preference shares issued by AIHC are redeemable on the earlier of an exit event or 29 April 2023. All preference shares carry no entitlement to an annual dividend, but are to be redeemed at a value to be determined at the date of redemption.

Other loans represent amounts due to the company's majority shareholder, Apposite Capital LLP. These amounts accrue interest at 10% per annum.

19 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £123,149 (2020 - £101,199).

20 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
A ordinary shares of £1 each	1,729	1,729	652	652
B ordinary shares of £1 each	1,025	1,025	376	376
G ordinary shares of £0.10 (2020 - £0) each	8,400	840	-	-
	11,154	3,594	1,028	1,028

During the year the company issued 1,077 A ordinary shares of £1 each and 649 B ordinary shares of £1 each in consideration for the acquisition of the remaining shares in Medical Imaging Partnership Limited. In addition, the company issued 840 G ordinary shares of 10p each for cash.

Rights, preferences and restrictions

The A ordinary and B ordinary have equal rights in all respects. The G ordinary shares do not confer voting or dividend rights but give certain rights to proceeds on the sale of the company or other exit event.

21 Obligations under leases and hire purchase contracts

Group

Finance leases

The total of future minimum lease payments is as follows:

	2021	2020
	£	£
Not later than one year	843,615	796,843
Later than one year and not later than five years	1,327,702	1,968,138
	2,171,317	2,764,981

Operating leases

The total of future minimum lease payments is as follows:

	2021	2020
	£	£
Not later than one year	599,991	357,815
Later than one year and not later than five years	1,508,042	2,552,748
	2,108,033	2,910,563

The amount of non-cancellable operating lease payments recognised as an expense during the year was £Nil (2020 - £Nil).

22 Related party transactions

Company

Summary of transactions with key management

Key management personnel are considered to be the directors of the company and key management personnel compensation is disclosed in note 9 to the financial statements.

23 Parent and ultimate parent undertaking

The company is controlled by Apposite Capital LLP, a limited liability partnership registered in England and Wales.