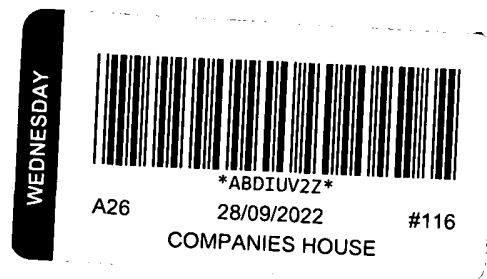


Pure Sports Medicine Limited

Financial statements

for the year ended 31 December 2021

Registered number: 04519096



Statement of financial position

as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	6	462,255	65,438
Tangible assets	7	2,425,189	2,798,669
Investments	8	-	312,434
		<u>2,887,444</u>	<u>3,176,541</u>
Current assets			
Stocks	9	55,917	56,630
Debtors: amounts falling due after more than one year	10	648,600	669,861
Debtors: amounts falling due within one year	10	660,747	657,411
Cash at bank and in hand		(12,354)	49,570
		<u>1,352,910</u>	<u>1,433,472</u>
Creditors: amounts falling due within one year	11	(2,930,530)	(3,445,929)
Net current liabilities		<u>(1,577,620)</u>	<u>(2,012,457)</u>
Total assets less current liabilities		<u>1,309,824</u>	<u>1,164,084</u>
Creditors: amounts falling due after more than one year	12	(8,224,132)	(5,267,488)
Provisions for liabilities			
Other provisions	15	(313,749)	(275,250)
		<u>(313,749)</u>	<u>(275,250)</u>
Net liabilities		<u>(7,228,057)</u>	<u>(4,378,654)</u>
Capital and reserves			
Called up share capital		1,930,057	1,930,057
Share premium account		1,751,244	1,751,244
Profit and loss account		(10,909,358)	(8,059,955)
		<u>(7,228,057)</u>	<u>(4,378,654)</u>

Statement of financial position (continued)

as at 31 December 2021

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on:

June 15th 2022

Mr J Rowlands
Director

A handwritten signature in black ink, appearing to read 'J Rowlands', written over a horizontal line.

The notes on pages 3 to 15 form part of these financial statements.

Notes to the financial statements

for the year ended 31 December 2021

1. General information

Pure Sports Medicine Limited is a private company limited by shares and incorporated in England and Wales. Its company registration number is 04519096 and the registered office is located at 116 Cromwell Road, London, SW7 4XR. The company's principal place of business is the registered office.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The company is exempt from the requirement to prepare consolidated financial statements under FRS 102 as the subsidiary is immaterial for the purpose of giving a true and fair view.

2.3 Going concern

Impact of COVID-19

We believe that, having considered our expectations and intentions for the next twelve months and the availability of working capital, the company is a going concern.

The directors have considered the impact of the ongoing recovery of the COVID-19 pandemic on the company's operations, with a particular focus on its effect on the company's customers, suppliers, directors and employees. The company has successfully implemented a range of contingency plans and continues to see a recovery towards pre-COVID levels of activity. We consider that the company has sufficient financial resources to continue for the foreseeable future, and therefore the financial statements have been prepared on a going concern basis. We acknowledge that there is some uncertainty around the speed of recovery from the COVID-19 pandemic; specifically, the key risks revolve around the return of office workers to Central London and to what extent this reaches pre-Covid levels, alongside the general economic outlook and impact on consumer confidence. However, the ongoing support from our key stakeholders means that we remain very confident that Pure Sports Medicine will overcome any challenges presented by COVID-19.

Furthermore, our investors are providing additional finance to enable the company to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements. Based on this continuing financial support, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis of accounting has been adopted in the preparation of these financial statements.

Notes to the financial statements

for the year ended 31 December 2021

2. Accounting policies (continued)

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Turnover represents the amounts derived from the provision of injury assessment and rehabilitation services, which fall within the company's ordinary activities, all of which are continuing, stated net of value added tax.

Rendering of services

Turnover arising from the provision of injury assessment and rehabilitation services is recognised when these services have been performed and is reflected in the Statement of income and retained earnings by recording turnover net of any discount applied.

2.5 Intangible assets

Goodwill

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

Other intangible assets

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

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

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Notes to the financial statements
for the year ended 31 December 2021

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- straight line over the lease life
Plant and machinery	- 25% straight line
Fixtures and fittings	- 25% straight line
Computer equipment	- 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.7 Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.8 Leased assets

Where assets are financed by leasing agreements that give rights approximately to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

2.9 Fixed asset investments

Investments in the subsidiary are measured at cost less accumulated impairment.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.11 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Notes to the financial statements

for the year ended 31 December 2021

2. Accounting policies (continued)

2.12 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

2.14 Foreign currency translation

Functional and presentational currency

The company's functional and presentational currency is GBP.

2.15 Finance costs

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

2.16 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

Notes to the financial statements
for the year ended 31 December 2021

2. Accounting policies (continued)

2.17 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.18 Interest income

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

2.19 Provisions for liabilities

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

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

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.20 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

2.21 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

3. Employees

The average monthly number of employees, including directors, during the year was 91 (2020 -101).

Notes to the financial statements

for the year ended 31 December 2021

4. Interest payable and similar expenses

	2021	2020
	£	£
Bank interest payable	330,429	265,980
Other loan interest payable	859	10,133
Finance leases and hire purchase contracts	11,785	16,214
	343,073	292,327

5. Exceptional items

	2021	2020
	£	£
Exceptional items	-	64,829

In the prior year the exceptional items related to one-off costs associated with the transition of the clinical management computer system and COVID-19 related costs in relation to lease negotiations of £64,829.

Notes to the financial statements
for the year ended 31 December 2021

6. Intangible assets

	Website development costs £	Trademarks £	Goodwill £	Total £
Cost				
At 1 January 2021	184,006	6,092	-	190,098
Additions	17,284	-	444,828	462,112
At 31 December 2021	201,290	6,092	444,828	652,210
Amortisation				
At 1 January 2021	124,660	-	-	124,660
Charge for the year	20,203	609	44,483	65,295
At 31 December 2021	144,863	609	44,483	189,955
Net book value				
At 31 December 2021	56,427	5,483	400,345	462,255
At 31 December 2020	59,346	6,092	-	65,438

Notes to the financial statements

for the year ended 31 December 2021

7. Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2021	5,675,993	1,379,553	458,197	442,468	7,956,211
Additions	66,052	4,556	7,100	11,003	88,711
Acquisition of subsidiary	284,895	58,314	78,732	22,223	444,164
At 31 December 2021	6,026,940	1,442,423	544,029	475,694	8,489,086
Depreciation					
At 1 January 2021	3,133,415	1,246,754	401,929	375,444	5,157,542
Charge for the year	333,477	90,886	45,933	45,115	515,411
Acquisition of subsidiary	284,444	14,209	75,441	16,850	390,944
At 31 December 2021	3,751,336	1,351,849	523,303	437,409	6,063,897
Net book value					
At 31 December 2021	2,275,604	90,574	20,726	38,285	2,425,189
At 31 December 2020	2,542,578	132,799	56,268	67,024	2,798,669

Notes to the financial statements
for the year ended 31 December 2021

8. Fixed asset investments

	Investment in subsidiary £
At 1 January 2021	312,434
Impairment	(312,434)
At 31 December 2021	-

On 30 December 2020, the company purchased the remaining 50% of the share capital of Pure Sports Medicine JV Limited (formerly Pure Sports Medicine at David Lloyd Limited) and now own 100% of its share capital.

In January 2021 the trade and assets of the subsidiary were hived-up into PSM. The subsidiary is now considered to be fully impaired and is now dormant.

9. Stocks

	2021 £	2020 £
Stock	55,917	56,630

Notes to the financial statements

for the year ended 31 December 2021

10. Debtors

	2021 £	2020 £
Due after more than one year		
Amounts due from group undertakings	-	21,261
Other debtors	648,600	648,600
	648,600	669,861
	2021 £	2020 £
Due within one year		
Trade debtors	209,233	196,090
Other debtors	9,374	35,072
Prepayments and accrued income	442,140	426,249
	660,747	657,411

At 31 December 2021, amounts receivable in relation to Coronavirus Job Retention Scheme were £nil (2020: £24,876).

Included within other debtors are amounts due from a director in relation to a loan totalling £4,874 (2020: £4,746) due within one year. During the year, interest was charged on the loan at a rate of 3% per annum totalling £128 (2020: £128). Repayments of £nil (2020: £nil) were made during the year.

11. Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans	398,325	730,426
Trade creditors	652,294	567,493
Other taxation and social security	164,026	568,485
Obligations under finance lease and hire purchase contracts	33,595	93,341
Other creditors	39,691	54,210
Accruals and deferred income	1,642,599	1,431,974
	2,930,530	3,445,929

The bank loans are secured by a first ranking legal charge over the defined leasehold property, a first debenture from the company over all of its assets and undertakings, a joint and several guarantee from two of the shareholders and postponement of repayment of all loans to the Bayard Fund.

Notes to the financial statements
for the year ended 31 December 2021

12. Creditors: amounts falling due after more than one year

	2021 £	2020 £
Bank loans	213,404	611,672
Other loans	7,958,888	4,564,857
Net obligations under finance leases and hire purchase contracts	51,840	55,439
Other creditors	-	35,520
	<u>8,224,132</u>	<u>5,267,488</u>

The bank loans are secured by a first ranking legal charge over the defined leasehold property, a first debenture from the company over all of its assets and undertakings and a joint and several guarantee from two of the shareholders.

13. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Bank loans	398,325	730,426
Amounts falling due 1-5 years		
Bank loans	213,404	611,672
Other loans	7,958,888	4,564,857
	<u>8,570,617</u>	<u>5,906,955</u>

14. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Within one year	33,594	92,838
Between 1-5 years	51,840	55,259
	<u>85,434</u>	<u>148,097</u>

Notes to the financial statements

for the year ended 31 December 2021

15. Provisions

	Dilapidation provision £
At 1 January 2021	275,250
Increase during the year	38,499
At 31 December 2021	313,749

16. Share based payments

During the year ended 31 December 2021, 397,740 £1 ordinary share options were cancelled (2020 - 112,665).

At 31 December 2021, 456,740 £1 ordinary share options were outstanding (2020 - 397,740). These options are to be settled for £1.50 per share in cash. There is no exercise date.

17. Pension commitments

The company contributes to group personal pension schemes in respect of directors and employees. The schemes' funds are independent of the company's finances. Premiums are charged against the profit and loss account in the year in which they are payable. At 31 December 2021, there were outstanding pension contributions of £ 36,436 (2020 - £ 38,699). The pension expense in the year was £49,719 (2020 - £58,322).

18. Commitments under operating leases

At 31 December 2021 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2021 Land and buildings £	2021 Equipment £	As restated 2020 Land and buildings £	As restated 2020 Equipment £
Not later than 1 year	1,184,128	47,010	858,062	48,254
Later than 1 year and not later than 5 years	4,721,962	97,334	4,546,098	137,369
Later than 5 years	8,394,942	-	8,566,109	-
	14,301,032	144,344	13,970,269	185,623

Notes to the financial statements

for the year ended 31 December 2021

19. Related party transactions

The aggregated transactions with parties formerly related by joint control are presented below:

	2021	2020
	£	£
Revenue received	-	45,816
Net expenses paid on their behalf	-	368,146
Amounts received on their behalf	-	(446,345)
Charges incurred on their behalf	-	(60,483)
Repayment of intercompany loan	-	116,114

On 30 December 2020 the joint venture became a wholly owned subsidiary of the company, and the company has taken advantage of the exemption from disclosing transactions with wholly owned group undertakings.

20. Post balance sheet events

After the year end, the company entered into agreements with the investors for loan facilities for up to £3,000,000. Since the year end, loans totalling £1,770,000 have been issued to the company. This amount has no fixed repayment date and has an interest rate of 5.5% plus base rate per annum.

21. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2021 was unqualified.

The audit report was signed on 16 June 2022 by Simon Wax (Senior statutory auditor) on behalf of Buzzacott LLP.