

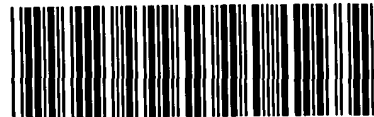
## Pure Sports Medicine Limited

### Financial statements

for the year ended 31 December 2022

Registered number: 04519096

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## Statement of financial position

as at 31 December 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	4	499,134	462,255
Tangible assets	5	2,177,119	2,425,189
		<u>2,676,253</u>	<u>2,887,444</u>
<b>Current assets</b>			
Stocks	6	44,472	55,917
Debtors: amounts falling due after more than one year	7	648,600	648,600
Debtors: amounts falling due within one year	7	813,699	660,747
Cash at bank and in hand		583,556	(12,354)
		<u>2,090,327</u>	<u>1,352,910</u>
Creditors: amounts falling due within one year	8	(2,845,909)	(2,930,530)
<b>Net current liabilities</b>		<u>(755,582)</u>	<u>(1,577,620)</u>
<b>Total assets less current liabilities</b>		<u>1,920,671</u>	<u>1,309,824</u>
Creditors: amounts falling due after more than one year	9	(12,052,565)	(8,224,132)
<b>Provisions for liabilities</b>			
Other provisions	12	(312,966)	(313,749)
		<u>(312,966)</u>	<u>(313,749)</u>
<b>Net liabilities</b>		<u>(10,444,860)</u>	<u>(7,228,057)</u>
<b>Capital and reserves</b>			
Called up share capital		1,930,057	1,930,057
Share premium account		1,751,244	1,751,244
Profit and loss account		(14,126,161)	(10,909,358)
		<u>(10,444,860)</u>	<u>(7,228,057)</u>

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Pure Sports Medicine Limited - Registered number: 04519096

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**Statement of financial position (continued)**

as at 31 December 2022

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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 25<sup>th</sup> May 2023

Mr J Rowlands  
Director



The notes on pages 3 to 14 form part of these financial statements.

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## Notes to the financial statements

for the year ended 31 December 2022

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### 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. The subsidiary is dormant and has been fully impaired.

#### 2.3 Going concern

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 from 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. Whilst we acknowledge that there continues to be an element of uncertainty around the speed of recovery from the COVID-19 pandemic, and specifically the speed of return to normal business conditions, we remain very confident that Pure Sports Medicine will overcome any challenges presented. The business saw a material increase in Appointment numbers and Revenues in the last quarter of 2022 and first quarter of 2023 aligned with people returning to their City offices and an increased focus on patient acquisition, alongside strong progress with clinical recruitment, which will underpin the business' return to cash profitability within the next 12 months.

Furthermore, our investors have provided 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.

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## Notes to the financial statements

for the year ended 31 December 2022

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### 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.

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## Notes to the financial statements

for the year ended 31 December 2022

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### 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 Operating leases: the company as lessor

Rental income from operating leases is credited to profit or loss on a straight-line basis over the lease term.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight-line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

#### 2.10 Fixed asset investments

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

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## Notes to the financial statements

for the year ended 31 December 2022

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### 2. Accounting policies (continued)

#### 2.11 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.

#### 2.12 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.

#### 2.13 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.

#### 2.14 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.

#### 2.15 Foreign currency translation

##### Functional and presentational currency

The company's functional and presentational currency is GBP.

#### 2.16 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.

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## Notes to the financial statements

for the year ended 31 December 2022

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### 2. Accounting policies (continued)

#### 2.17 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.

#### 2.18 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.

#### 2.19 Interest income

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



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**Notes to the financial statements**

for the year ended 31 December 2022

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**2. Accounting policies (continued)**

**2.20 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.

**2.21 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.

**3. Employees**

The average monthly number of employees, including directors, during the year was 93 (2021 -91).

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**Notes to the financial statements**

for the year ended 31 December 2022

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**4. Intangible assets**

	Website development costs £	Développement expenditure £	Trademarks £	Goodwill £	Total £
<b>Cost</b>					
At 1 January 2022	201,290	-	6,092	444,828	652,210
Additions	32,426	74,941	-	-	107,367
At 31 December 2022	233,716	74,941	6,092	444,828	759,577
<b>Amortisation</b>					
At 1 January 2022	144,863	-	609	44,483	189,955
Charge for the year	21,232	4,164	609	44,483	70,488
At 31 December 2022	166,095	4,164	1,218	88,966	260,443
<b>Net book value</b>					
At 31 December 2022	67,621	70,777	4,874	355,862	499,134
At 31 December 2021	56,427	-	5,483	400,345	462,255

## Notes to the financial statements

for the year ended 31 December 2022

### 5. Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2022	6,026,940	1,442,423	544,029	475,694	8,489,086
Additions	44,561	33,835	4,925	20,657	103,978
Disposals	-	(6,297)	-	-	(6,297)
At 31 December 2022	6,071,501	1,469,961	548,954	496,351	8,586,767
<b>Depreciation</b>					
At 1 January 2022	3,751,336	1,351,849	523,303	437,409	6,063,897
Charge for the year	267,712	42,935	15,597	25,070	351,314
Disposals	-	(5,563)	-	-	(5,563)
At 31 December 2022	4,019,048	1,389,221	538,900	462,479	6,409,648
<b>Net book value</b>					
At 31 December 2022	2,052,453	80,740	10,054	33,872	2,177,119
At 31 December 2021	2,275,604	90,574	20,726	38,285	2,425,189

### 6. Stocks

	2022 £	2021 £
Stock	44,472	55,917

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**Notes to the financial statements**

for the year ended 31 December 2022

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**7. Debtors**

	2022 £	2021 £
<b>Due after more than one year</b>		
Other debtors	648,600	648,600
	<u>648,600</u>	<u>648,600</u>
	2022 £	2021 £
<b>Due within one year</b>		
Trade debtors	345,870	209,233
Other debtors	73,908	9,374
Prepayments and accrued income	393,921	442,140
	<u>813,699</u>	<u>660,747</u>

Included within other debtors are amounts due from a director in relation to a loan totalling £5,002 (2021: £4,874) due within one year. During the year, interest was charged on the loan at a rate of 3% per annum totalling £128 (2021: £128). Repayments of £nil (2021: £nil) were made during the year.

**8. Creditors: amounts falling due within one year**

	2022 £	2021 £
Bank loans	208,252	398,325
Trade creditors	662,047	652,294
Other taxation and social security	134,220	164,026
Obligations under finance lease and hire purchase contracts	29,821	33,595
Other creditors	26,147	39,691
Accruals and deferred income	1,785,422	1,642,599
	<u>2,845,909</u>	<u>2,930,530</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, 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 2022.

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### 9. Creditors: amounts falling due after more than one year

	2022 £	2021 £
Bank loans	-	213,404
Other loans	12,007,879	7,958,888
Net obligations under finance leases and hire purchase contracts	44,686	51,840
	<u>12,052,565</u>	<u>8,224,132</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.

### 10. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
<b>Amounts falling due within one year</b>		
Bank loans	208,252	398,325
<b>Amounts falling due 1-5 years</b>		
Bank loans	-	213,404
Other loans	12,007,879	7,958,888
	<u>12,216,131</u>	<u>8,570,617</u>

### 11. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2022 £	2021 £
Within one year	29,822	33,594
Between 1-5 years	44,685	51,840
	<u>74,507</u>	<u>85,434</u>

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**Notes to the financial statements**

for the year ended 31 December 2022

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**12. Provisions**

	Dilapidations provision £
At 1 January 2022	313,749
Charged to profit or loss	(783)
<b>At 31 December 2022</b>	<b>312,966</b>

**13. Share based payments**

During the year ended 31 December 2022, no share options were cancelled (2021 - 397,740 £1 ordinary share options).

At 31 December 2022, 456,740 £1 ordinary share options were outstanding (2021 - 456,740). These options are to be settled for £1.50 per share in cash. There is no exercise date.

**14. Contingent liabilities**

There were no contingent liabilities at 31 December 2021 or 31 December 2022.

**15. Capital commitments**

There were no capital commitments at 31 December 2021 or 31 December 2022.

**16. 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 2022, there were outstanding pension contributions of £ 12,804 (2021 - £ 36,436).

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## Notes to the financial statements

for the year ended 31 December 2022

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### 17. Commitments under operating leases

At 31 December 2022 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2022 Land and buildings £	2022 Equipment £	2021 Land and buildings £	2021 Equipment £
Not later than 1 year	1,053,957	32,540	1,184,128	47,010
Later than 1 year and not later than 5 years	4,183,425	50,549	4,721,962	97,334
Later than 5 years	6,255,337	-	8,394,942	-
	<u>11,492,719</u>	<u>83,089</u>	<u>14,301,032</u>	<u>144,344</u>

### 18. Post balance sheet events

After the year-end, the company entered into an agreement with the investors for loan facilities for up to £1,000,000. Since the year-end, loans totalling £650,000 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.

### 19. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2022 was unqualified.

The audit report drew attention by way of emphasis to note 2.3 in the financial statements, which details the continued financial support provided by investors for a period of at least twelve months from the date of this report. The audit opinion is not modified in this respect.

The audit report was signed on 26 May 2023 by Simon Wax (Senior statutory auditor) on behalf of Buzzacott LLP.