INHEALTH GROUP HOLDINGS PLC

Company Registration Number:
05578428 (England and Wales)

Unaudited statutory accounts for the year ended 30 September 2020

Period of accounts

Start date: 1 October 2019

End date: 30 September 2020

INHEALTH GROUP HOLDINGS PLC

Contents of the Financial Statements

for the Period Ended 30 September 2020

INHEALTH GROUP HOLDINGS PLC

Directors' report period ended 30 September 2020

The directors present their report with the financial statements of the company for the period ended 30 September 2020

Principal activities of the company

The principal activity of the Company is as a holding company for the InHealth Group. The principal activities of the InHealth Group are set out in the Strategic Report.

Political and charitable donations

The Group made no political donations (2019: £nil)

Company policy on disabled employees

It is the Group's policy that disabled people are given the same consideration as other applicants for all job vacancies for which they offer themselves as suitable candidates. Similarly, the Group's policy is to continue to employ and train employees who have become disabled wherever possible.Every effort has been made to ensure that line managers fully understand that disabled people must have the prospects and promotional opportunities that are available to other employees. The Group makes appropriate modification to procedures and equipment where it is practical and safe to do so.

Additional information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 2.

Directors

The directors shown below have held office during the whole of the period from
1 October 2019 to 30 September 2020

Ivan Bradbury
Richard Bradford
A D Chessells
David Petrie

The above report has been prepared in accordance with the special provisions in part 15 of the Companies Act 2006

This report was approved by the board of directors on
25 March 2021

And signed on behalf of the board by:
Name: Richard Bradford
Status: Director

INHEALTH GROUP HOLDINGS PLC

Profit And Loss Account

for the Period Ended 30 September 2020

	2020	*2019*
	£	**£**
Turnover:	**176,647**	177,684
Cost of sales:	**(121,526)**	(113,141)
Gross profit(or loss):	**55,121**	64,543
Distribution costs:	**0**	0
Administrative expenses:	**(56,562)**	(61,039)
Other operating income:	**0**	0
Operating profit(or loss):	**(1,441)**	3,504
Interest receivable and similar income:	**586**	107
Interest payable and similar charges:	**(1,050)**	(493)
Profit(or loss) before tax:	**(1,905)**	3,118
Tax:	**(515)**	(999)
Profit(or loss) for the financial year:	**(2,420)**	2,119

INHEALTH GROUP HOLDINGS PLC

Balance sheet

As at 30 September 2020

	Notes	2020	2019
		£	£
Called up share capital not paid:		**0**	0
Fixed assets			
Intangible assets:	3	**24,369**	30,511
Tangible assets:	4	**102,602**	92,480
Investments:	5	**14,627**	11,957
Total fixed assets:		**141,598**	134,948
Current assets			
Stocks:	6	**885**	1,070
Debtors:	7	**46,322**	45,061
Cash at bank and in hand:		**31,733**	5,428
Total current assets:		**78,940**	51,559
Creditors: amounts falling due within one year:	8	**(65,762)**	(44,201)
Net current assets (liabilities):		**13,178**	7,358
Total assets less current liabilities:		**154,776**	142,306
Creditors: amounts falling due after more than one year:	9	**(21,392)**	(9,876)
Provision for liabilities:		**(4,945)**	(1,448)
Total net assets (liabilities):		**128,439**	130,982
Capital and reserves			
Called up share capital:		**1,309**	1,309
Share premium account:		**96,740**	96,740
Other reserves:		**(1,404)**	(1,404)
Profit and loss account:		**31,794**	34,337
Total Shareholders' funds:		**128,439**	130,982

The notes form part of these financial statements

INHEALTH GROUP HOLDINGS PLC

Balance sheet statements

For the year ending 30 September 2020 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

This report was approved by the board of directors on 25 March 2021
and signed on behalf of the board by:

Name: Richard Bradford
Status: Director

The notes form part of these financial statements

INHEALTH GROUP HOLDINGS PLC

Notes to the Financial Statements

for the Period Ended 30 September 2020

1. Accounting policies

Basis of measurement and preparation

These financial statements have been prepared in accordance with the provisions of Financial Reporting Standard 101

Turnover policy

Revenue, which is measured as the fair value of consideration received for the activity performed, represents the amounts invoiced for the provision of diagnostic services and healthcare solutions (excluding value added tax). Revenue is recognised on the basis of the 5-step model under IFRS 15, which sets out the rules for revenue from contracts with customers based on the satisfaction of performance obligations. Management has undertaken a detailed assessment of all revenue streams using the 5-step approach specified by IFRS 15:- Identify the contract(s) with the customer- Identify the performance obligations in the contract- Determine the transaction price- Allocate the transaction price to the performance obligations in the contract- Recognise revenue when (or as) a performance obligation is satisfiedThe Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any transaction prices for the time value of money.Rendering of servicesRevenue from providing services is recognised in the accounting period in which the services are rendered and when performance obligations are satisfied. The Group typically satisfies its performance obligations as services are rendered on a "per procedure" or "per day" basis, depending upon the terms of the contract. Revenue is recognised when control over the services transfers to the end customer i.e. when the end customer has the ability to control the use of the transferred services provided and derive substantially their remaining benefits. Revenue is recognised when a contract with enforceable rights and obligations exists and the receipt of consideration is likely, taking into account the customer's credit quality. Payment terms are typically 30 days with no significant financing component or variable consideration.Revenue reflects all sales made by the Group, whether delivered directly or by sub-contractors as the Group remains the principal in all transactions.For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.Where contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. For service contracts including a goods element, revenue for the separate good is recognised at a point in time when the good is delivered, the Group has transferred control over the product and the customer has accepted the good. There is no significant judgment in determining the transfer of control.

Tangible fixed assets depreciation policy

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.In 2019, under IAS 17 leases in which the Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance leases are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses.Depreciation is charged to the income statement on a straight-line basis over the estimateduseful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:Freehold property 50 years straight lineShort term leasehold improvements Over the term of the leasePlant and machinery 4 to 10 years straight lineFixtures and fittings 3 to 6 years straight lineMotor vehicles 2 to 6 years straight lineDepreciation methods, useful lives and residual values are reviewed at each balance sheet date.Assets under construction have no depreciation charged.

Intangible fixed assets amortisation policy

GoodwillGoodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated tocash-generating units and is not amortised but is tested annually for impairment. Other intangible assetsOther intangible assets acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses. Licences purchased by the Group are amortised to nil by equal instalments over their useful life.Existing customer contracts are acquired through business combinations.Expenditure on research activities is recognised in the income statement as an expense as incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group intends to and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.AmortisationAmortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:Licence and software costs 1 to 3 years straight lineExisting contracts Over the contract lifeDevelopment costs 5 to 10 years straight lineOther intangibles (including patents and intellectual property) 10 years straight line.

Other accounting policies

See pages 19 - 33

2. Employees

	2020	*2019*
Average number of employees during the period	**2,060**	2,026

3. Intangible assets

	Goodwill	Other	Total
Cost	£	£	£
At 1 October 2019	37,630	9,223	46,853
Additions	300	408	708
Disposals	(5,523)	(58)	(5,581)
Revaluations			
Transfers		159	159
At 30 September 2020	32,407	9,732	42,139
Amortisation			
At 1 October 2019	11,182	5,160	16,342
Charge for year		1,445	1,445
On disposals		(17)	(17)
Other adjustments			
At 30 September 2020	11,182	6,588	17,770
Net book value			
At 30 September 2020	21,225	3,144	24,369
At 30 September 2019	26,448	4,063	30,511

INHEALTH GROUP HOLDINGS PLC

Notes to the Financial Statements

for the Period Ended 30 September 2020

4. Tangible assets

	Land & buildings	Plant & machinery	Fixtures & fittings	Office equipment	Motor vehicles	Total
Cost	£	£	£	£	£	£
At 1 October 2019	**46,696**	**140,108**	**23,801**	**0**	**1,240**	**211,845**
Additions	**2,976**	**13,628**	**1,035**	**0**	**364**	**18,003**
Disposals	**(1,750)**	**(3,458)**	**(1,847)**	**0**	**(74)**	**(7,129)**
Revaluations	**14,859**	**0**	**0**	**0**	**1,704**	**16,563**
Transfers	**2,739**	**146**	**5,005**	**0**	**1,961**	**159**
At 30 September 2020	**65,520**	**150,424**	**17,984**	**0**	**5,195**	**239,123**
Depreciation						
At 1 October 2019	**20,757**	**79,444**	**18,852**	**0**	**312**	**119,365**
Charge for year	**6,851**	**11,929**	**1,909**	**0**	**863**	**21,552**
On disposals	**(1,011)**	**(2,666)**	**(1,728)**	**0**	**(48)**	**(5,453)**
Other adjustments	**2,878**	**1,666**	**5,180**	**0**	**1,693**	**1,057**
At 30 September 2020	**29,475**	**90,373**	**13,853**	**0**	**2,820**	**136,521**
Net book value						
At 30 September 2020	**36,045**	**60,051**	**4,131**	**0**	**2,375**	**102,602**
At 30 September 2019	**25,939**	**60,664**	**4,949**	**0**	**928**	**92,480**

5. Fixed assets investments note

) Recognition and initial measurementTrade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Groupbecomes a party to the contractual provisions of the instrument.A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.ii) Classification and subsequent measurementFinancial assets(a) ClassificationOn initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI –debt investment; FVOCI – equity investment; or FVPL.Financial assets are not reclassified subsequent to their initial recognition unless the Groupchanges its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.A financial asset is measured at amortised cost if it meets both of the following conditions:- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.A debt investment is measured at FVOCI if it meets both of the following conditions:- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.1.5 Financial instrumentsii) Classification and subsequent measurement (continued)Financial assets (continued)On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVPL. This includes all derivative financial assets.Investments in joint ventures, associates and subsidiaries are carried at cost less impairment.Cash and cash equivalentsCash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.(b) Subsequent measurement and gains and lossesFinancial assets at FVPL - these assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.Debt investments at FVOCI - these assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.Equity investments at FVOCI - these assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.Financial liabilities and equityFinancial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions: (a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and (b) where the instrument will or may be settled in the Group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Group's own equity instruments or is a derivative that will be settled by the Group'sexchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Group's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares. ii) Classification and subsequent measurement (continued)Financial liabilities and equity (continued)Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.iii) Derivative financial instrumentsDerivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.iv) ImpairmentThe Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, debt investments measured at FVOCI and contract assets (as defined in IFRS 15).The Group measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12-month ECL.Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information. The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.Measurement of ECLsECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.iv) Impairment (continued)Credit-impaired financial assetsAt each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.Write-offsThe gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

6. Stocks

	2020	*2019*
	£	*£*
Stocks	**885**	1,070
Payments on account	**0**	0
Total	**885**	1,070

Notes to the Financial Statements

for the Period Ended 30 September 2020

7. Debtors

	2020	*2019*
	£	**£**
Trade debtors	**24,680**	31,437
Prepayments and accrued income	**9,596**	10,635
Other debtors	**12,046**	2,989
Total	**46,322**	45,061

8. Creditors: amounts falling due within one year note

	2020	*2019*
	£	*£*
Bank loans and overdrafts	**0**	0
Amounts due under finance leases and hire purchase contracts	**5,421**	2,048
Trade creditors	**9,558**	12,042
Taxation and social security	**9,829**	4,599
Accruals and deferred income	**39,263**	25,151
Other creditors	**1,691**	361
Total	**65,762**	44,201

Notes to the Financial Statements

for the Period Ended 30 September 2020

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

	2020	*2019*
	£	**£**
Bank loans and overdrafts	**0**	0
Amounts due under finance leases and hire purchase contracts	**17,124**	4,567
Other creditors	**4,268**	5,309
Total	**21,392**	9,876

10. Financial Commitments

Capital commitmentsDuring the year ended 30 September 2020, the Group entered into contracts to purchase MRI equipment and CT scanners for £8,754,000 (2019: £8,071,000). These commitments are expected to be settled in the following financial year.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.