

# Fountain Diagnostic Limited

Annual Report and Unaudited Financial Statements  
for the Year Ended 31 March 2020

**Fountain Diagnostic Limited**

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# **Fountain Diagnostic Limited**

## **Company Information**

<b>Director</b>	Dr S M Feldman
<b>Registered office</b>	The Living Care Group 4215 Park Approach Thorpe Park Leeds LS15 8GB

**Fountain Diagnostic Limited**  
**(Registration number: 05814528)**  
**Balance Sheet as at 31 March 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	<u>4</u>	355,140	-
Tangible assets	<u>5</u>	845,725	283,085
Investments		100	100
		<u>1,200,965</u>	<u>283,185</u>
<b>Current assets</b>			
Stocks	<u>7</u>	17,000	10,000
Debtors	<u>8</u>	3,013,567	2,436,807
Cash at bank and in hand		75	190
		<u>3,030,642</u>	<u>2,446,997</u>
<b>Creditors: Amounts falling due within one year</b>	<u>9</u>	<u>(2,727,351)</u>	<u>(1,744,596)</u>
<b>Net current assets</b>		<u>303,291</u>	<u>702,401</u>
<b>Total assets less current liabilities</b>		1,504,256	985,586
<b>Creditors: Amounts falling due after more than one year</b>	<u>9</u>	(1,201,093)	(163,710)
<b>Provisions for liabilities - deferred tax</b>		<u>(5,855)</u>	<u>(5,855)</u>
<b>Net assets</b>		<u>297,308</u>	<u>816,021</u>
<b>Capital and reserves</b>			
Called up and fully paid share capital		100	100
Profit and loss account		<u>297,208</u>	<u>815,921</u>
<b>Total equity</b>		<u>297,308</u>	<u>816,021</u>

For the financial year ending 31 March 2020 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the profit and loss account has been taken.

**Fountain Diagnostic Limited**  
**(Registration number: 05814528)**  
**Balance Sheet as at 31 March 2020**

Approved and authorised by the director on 18 January 2021

.....  
Dr S M Feldman  
Director

# **Fountain Diagnostic Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 2020**

### **1 General information**

The Company is a private company limited by share capital incorporated in England and Wales. Details of the registered office are shown on page 1.

### **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.

#### **Basis of preparation**

These financial statements have been prepared on a going concern basis, using the historical cost convention and in accordance with FRS 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

#### **Group accounts not prepared**

The Company is part of a small group. The Company has taken advantage of the exemption provided in Section 398 of the Companies Act 2006 and has not prepared group accounts.

#### **Going concern**

The directors have prepared the financial statements on the going concern basis of accounting taking into account Covid-19 (Coronavirus) and the impact this has had on the performance of the business. Attention is drawn to the fact that in line with official guidance the practice was closed to the general public from late March. As a result the company furloughed most of its employees, utilising the Job Retention Scheme Grant.

The company has received a Coronavirus Business Interruption Loan and block funding from the NHS to cover fixed costs during the closed period. The company deferred PAYE but has since repaid all the deferred amounts. The overall impact of the Covid-19 outbreak has seen a reduction in sales throughout late March until mid-July 2020 when the business was allowed to reopen. During the lockdown the company performed swab testing for the NHS. As a result of the actions taken and following a review of the current trading and the future prospects the directors have concluded that the going concern basis remains appropriate.

#### **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 Company's activities. Turnover is shown net of value added tax, returns, rebates and discounts and is recognised when the amount of revenue can be reliably measured, and it is probable that future economic benefits will flow to the entity.

#### **Government grants**

Government grants in relation to revenue expenditure that has already been incurred for the purpose of giving immediate financial support to the entity with no future related costs shall be recognised in income in the period in which they become receivable.

#### **Tax**

Current income tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

# **Fountain Diagnostic Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 2020**

### **2 Accounting policies (continued)**

Deferred tax is recognised on timing differences between taxable profits and profits reported in the financial statements. Deferred tax is recognised on all timing differences at the reporting date and is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### **Tangible assets**

Tangible assets are stated in the balance sheet 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:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Plant and machinery	12.5%, 20% and 33% straight line
Fixtures and fittings	15% reducing balance
Computer equipment	25% reducing balance
Leasehold improvements	10 years 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 acquisition date if the adjustment is probable and can be measured reliably.

#### **Goodwill**

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Company'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. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

#### **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:

# Fountain Diagnostic Limited

## Notes to the Financial Statements for the Year Ended 31 March 2020

### 2 Accounting policies (continued)

Asset class	Amortisation method and rate
Goodwill	5 years straight line

#### 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.

#### Trade 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. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

#### Stocks

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.

#### Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.



# **Fountain Diagnostic Limited**

## **Notes to the Financial Statements for the Year Ended 31 March 2020**

### **2 Accounting policies (continued)**

#### **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 profit or loss 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 Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Leases**

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 profit or loss 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**

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.

#### **Dividends**

Dividend distribution to the Company's shareholders is recognised in the financial statements in the reporting period in which the dividends are paid.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company 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.

#### **Financial instruments**

Financial instruments are classified and accounted for as financial assets, financial liabilities or equity instruments, according to the substance of the contractual arrangement. Equity instruments are those that entitle the holder to a residual interest in the Company's assets after deducting all of its liabilities.

Basic financial instruments are recognised at amortised cost, except for investments in non-convertible preference and non-puttable ordinary and preference shares, which are measured at fair value provided that this can be measured reliably. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in profit or loss.

## Fountain Diagnostic Limited

### Notes to the Financial Statements for the Year Ended 31 March 2020

#### 3 Staff numbers

The average number of persons employed by the company (including the director) in the year, was 81 (2019 - 65).

#### 4 Intangible assets

	<b>Goodwill £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 April 2019	485,000	485,000
Additions acquired separately	373,938	373,938
	<hr/>	<hr/>
At 31 March 2020	858,938	858,938
	<hr/>	<hr/>
<b>Amortisation</b>		
At 1 April 2019	485,000	485,000
Amortisation charge	18,798	18,798
	<hr/>	<hr/>
At 31 March 2020	503,798	503,798
	<hr/>	<hr/>
<b>Carrying amount</b>		
At 31 March 2020	355,140	355,140
	<hr/> <hr/>	<hr/> <hr/>

# Fountain Diagnostic Limited

## Notes to the Financial Statements for the Year Ended 31 March 2020

### 5 Tangible assets

	<b>Furniture, fittings and equipment £</b>	<b>Other property, plant and equipment £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2019	309,988	363,397	673,385
Additions	8,601	684,262	692,863
At 31 March 2020	318,589	1,047,659	1,366,248
<b>Depreciation</b>			
At 1 April 2019	182,339	207,961	390,300
Charge for the year	21,311	108,912	130,223
At 31 March 2020	203,650	316,873	520,523
<b>Carrying amount</b>			
At 31 March 2020	114,939	730,786	845,725
At 31 March 2019	127,649	155,436	283,085

Included above are assets held under finance leases or hire purchase contracts. The net book value of these assets amounts to £713,276 (2019 - £146,470) and the depreciation charged for the year on these assets was £107,913 (2019 - £32,216).

# Fountain Diagnostic Limited

## Notes to the Financial Statements for the Year Ended 31 March 2020

### 6 Investments

	2020 £	2019 £
Investments in subsidiaries	<u>100</u>	<u>100</u>
<b>Subsidiaries</b>		<b>£</b>
<b>Cost or valuation</b>		
At 1 April 2019		<u>100</u>
<b>Provision</b>		
<b>Carrying amount</b>		
At 31 March 2020		<u>100</u>
At 31 March 2019		<u>100</u>

### 7 Stocks

	2020 £	2019 £
Other inventories	<u>17,000</u>	<u>10,000</u>

### 8 Debtors

	2020 £	2019 £
Trade debtors	516,961	230,348
Amounts owed by group undertakings	2,140,178	1,832,284
Other debtors	59,400	128,342
Prepayments	<u>297,028</u>	<u>245,833</u>
	<u>3,013,567</u>	<u>2,436,807</u>

# Fountain Diagnostic Limited

## Notes to the Financial Statements for the Year Ended 31 March 2020

### 9 Creditors

	2020 £	2019 £
<b>Due within one year</b>		
Loans and borrowings	298,662	433,557
Trade creditors	1,111,955	339,198
Amounts owed to group undertakings	46,576	295,477
Taxation and social security	124,904	52,131
Other creditors	416,139	319,557
Accrued expenses	729,115	304,676
	<u>2,727,351</u>	<u>1,744,596</u>
<b>Due after one year</b>		
Loans and borrowings	577,479	163,710
Other non-current financial liabilities	623,614	-
	<u>1,201,093</u>	<u>163,710</u>

Creditors due within one year include bank loans and overdrafts and net obligations under finance lease and hire purchase contracts which are secured of £298,662 (2019 - £433,557). These are secured by fixed and floating charges over the assets to which they relate.

The director has given a personal guarantees in respect of the above loans.

Creditors due after one year include bank loans and overdrafts and net obligations under finance lease and hire purchase contracts which are secured of £577,479 (2019 - £163,710). These are secured by fixed and floating charges over the assets to which they relate.

The director has given a personal guarantee in respect of the above loans.

# Fountain Diagnostic Limited

## Notes to the Financial Statements for the Year Ended 31 March 2020

### 10 Loans and borrowings

	2020 £	2019 £
<b>Current loans and borrowings</b>		
Bank borrowings	5,520	5,520
Bank overdrafts	139,483	360,269
Hire purchase contracts	153,659	67,768
	<u>298,662</u>	<u>433,557</u>
	2020 £	2019 £
<b>Non-current loans and borrowings</b>		
Bank borrowings	4,784	8,372
Hire purchase contracts	572,695	155,338
	<u>577,479</u>	<u>163,710</u>

## **Fountain Diagnostic Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2020**

#### **11 Related party transactions**

The Company has taken the exemption set out in FRS 102 from disclosing transactions with wholly owned group members.

Dr Stephen Feldman

(Director and shareholder)

At the balance sheet date, the amount owed from Dr Stephen Feldman was £248,468 (2019 - £243,308).

Living Care Imaging Limited

(Common shareholder and director)

At the balance sheet date, the amount owed to Living Care Imaging Limited was £53,535 (2019 - (£98,995)).

Living Care Medical Services Limited

(Company under common ownership)

At the balance sheet date, the amount owed to Living Care Medical Services Limited was £Nil (2019 - £176,771).

Living Care Health Limited

(Company under common ownership)

At the balance sheet date, the amount owed to Living Care Health Limited was £623,614 (2019 - £118,706).

Laserslim Cosmetic Services Limited

(Common shareholder and director)

At the balance sheet date, the amount owed from Laserslim Cosmetic Services Limited was £228,061 (2019 - £14,604).

#### **12 Parent and ultimate parent undertaking**

The company's immediate parent is the Living Care Group Limited, incorporated in England and Wales.

The ultimate parent is Living Care Group Limited, incorporated in England and Wales.

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.