

**REGISTERED NUMBER: 08403776 (England and Wales)**

**Unaudited Financial Statements for the Year Ended 30 June 2022**

**for**

**Braincare Limited**

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for the year ended 30 June 2022**

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# **Braincare Limited**

## **Company Information for the year ended 30 June 2022**

**DIRECTORS:**

Mr J R Freeman  
Mr D Murray  
Mr S Reddington

**SECRETARY:**

Hexagon Tds Limited

**REGISTERED OFFICE:**

27 Old Gloucester Street  
London  
England  
WC1N 3AX

**REGISTERED NUMBER:**

08403776 (England and Wales)

**ACCOUNTANTS:**

Flinder Effect Limited  
Certified Chartered Accountants (ACCA)  
71-75 Shelton Street  
Covent Garden  
London  
WC2H 9JQ

**Braincare Limited (Registered number: 08403776)****Statement of Financial Position  
30 June 2022**

		<b>2022</b>	<b>2021</b>
	Notes	£	£
<b>FIXED ASSETS</b>			
Intangible assets	5	<b>5,313</b>	15,117
Tangible assets	6	<b>3,809</b>	1,824
Investments	7	<b>11</b>	-
		<b>9,133</b>	<b>16,941</b>
<b>CURRENT ASSETS</b>			
Stocks		<b>623,342</b>	28,058
Debtors	8	<b>507,616</b>	60,596
Cash at bank		<b>1,609,513</b>	779,260
		<b>2,740,471</b>	<b>867,914</b>
<b>CREDITORS</b>			
Amounts falling due within one year	9	<b>(1,702,525)</b>	(443,557)
<b>NET CURRENT ASSETS</b>		<b>1,037,946</b>	<b>424,357</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,047,079</b>	<b>441,298</b>
<b>CREDITORS</b>			
Amounts falling due after more than one year	10	<b>(31,702)</b>	(50,000)
<b>NET ASSETS</b>		<b>1,015,377</b>	<b>391,298</b>

The notes form part of these financial statements

**Braincare Limited (Registered number: 08403776)**

**Statement of Financial Position - continued**  
**30 June 2022**

	Notes	2022 £	2021 £
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	1,160	977
Share premium		9,551,277	7,420,513
Retained earnings		(8,537,060)	(7,030,192)
<b>SHAREHOLDERS' FUNDS</b>		<u>1,015,377</u>	<u>391,298</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2022 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

In accordance with Section 444 of the Companies Act 2006, the Statement of Comprehensive Income has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 29 March 2023 and were signed on its behalf by:

Mr J R Freeman - Director

The notes form part of these financial statements

**Notes to the Financial Statements  
for the year ended 30 June 2022**

**1. STATUTORY INFORMATION**

Braincare Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006.

**3. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements have been prepared under the historical cost convention.

**Significant judgements and estimates**

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates if necessary. It also requires management to exercise judgement in applying the company accounting policies.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Trademark are being amortised evenly over their estimated useful life of five years.

Development costs are being amortised evenly over their estimated useful life of three years.

Computer software is being amortised evenly over its estimated useful life of ten years.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- Straight line over 3 to 4 years
Computer equipment	- Straight line over 3 to 4 years

**Investments in subsidiaries**

Fixed asset investments are stated at cost less provision for permanent diminution in value.

**Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

**Notes to the Financial Statements - continued  
for the year ended 30 June 2022**

**3. ACCOUNTING POLICIES - continued**

**Financial instruments**

The company has elected to apply the provisions of Section 11 Basic Financial Instruments and Section 12 Other Financial Instruments Issues of FRS 102 to all of its financial instruments

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value if the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**Classification of financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditor are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently at amortised cost using the effective interest method.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

**Notes to the Financial Statements - continued  
for the year ended 30 June 2022**

**3. ACCOUNTING POLICIES - continued**

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Going concern**

In assessing the ability of the company to operate as a going concern, management have evaluated current and forecasted operational results, and the solvency of the company. Potential sources of uncertainty noted by the directors include the COVID-19 pandemic. However at the date of this report it is not possible to reliably determine the effects that this will have on the company.

The directors and shareholders have indicated their present intention to provide adequate finance to enable the company to continue in operational existence, and on this basis the directors consider it appropriate to prepare the financial statements on the going concern basis.

**4. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 11 (2021 - 9) .



**Notes to the Financial Statements - continued  
for the year ended 30 June 2022**

**5. INTANGIBLE FIXED ASSETS**

	<b>Trademark £</b>	<b>Development costs £</b>	<b>Computer software £</b>	<b>Totals £</b>
<b>COST</b>				
At 1 July 2021	9,904	-	52,534	62,438
Additions	-	5,626	-	5,626
At 30 June 2022	<u>9,904</u>	<u>5,626</u>	<u>52,534</u>	<u>68,064</u>
<b>AMORTISATION</b>				
At 1 July 2021	9,904	-	37,417	47,321
Amortisation for year	-	313	15,117	15,430
At 30 June 2022	<u>9,904</u>	<u>313</u>	<u>52,534</u>	<u>62,751</u>
<b>NET BOOK VALUE</b>				
At 30 June 2022	-	5,313	-	5,313
At 30 June 2021	-	-	15,117	15,117

**6. TANGIBLE FIXED ASSETS**

	<b>Fixtures and fittings £</b>	<b>Computer equipment £</b>	<b>Totals £</b>
<b>COST</b>			
At 1 July 2021	3,177	18,002	21,179
Additions	-	3,202	3,202
At 30 June 2022	<u>3,177</u>	<u>21,204</u>	<u>24,381</u>
<b>DEPRECIATION</b>			
At 1 July 2021	3,177	16,178	19,355
Charge for year	-	1,217	1,217
At 30 June 2022	<u>3,177</u>	<u>17,395</u>	<u>20,572</u>
<b>NET BOOK VALUE</b>			
At 30 June 2022	-	3,809	3,809
At 30 June 2021	-	1,824	1,824

**Notes to the Financial Statements - continued  
for the year ended 30 June 2022**

**7. FIXED ASSET INVESTMENTS**

	Shares in group undertaking £
<b>COST</b>	
Additions	<u>11</u>
At 30 June 2022	<u>11</u>
<b>NET BOOK VALUE</b>	
At 30 June 2022	<u>11</u>

**8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022 £	2021 £
Trade debtors	600	600
Amounts owed by group undertakings	229,136	-
Other debtors	<u>277,880</u>	<u>59,996</u>
	<u>507,616</u>	<u>60,596</u>

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022 £	2021 £
Bank loans and overdrafts	718,822	-
Trade creditors	189,742	151,218
Taxation and social security	152,112	24,638
Other creditors	<u>641,849</u>	<u>267,701</u>
	<u>1,702,525</u>	<u>443,557</u>

**10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2022 £	2021 £
Bank loans	<u>31,702</u>	<u>50,000</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>31,702</u>	<u>50,000</u>

**Notes to the Financial Statements - continued  
for the year ended 30 June 2022**

**11. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	2022	2021
Number:	Class:		£	£
1,451,824	A Ordinary	£0.0001	145	145
10,039,631	Ordinary	£0.0001	1,004	821
114,776	Deferred	£0.0001	11	11
			<u>1,160</u>	<u>977</u>

1,831,732 Ordinary shares of £0.0001 each were allotted as fully paid at a premium of £1.08 per share during the year.

**12. RELATED PARTY DISCLOSURES**

Included within debtors is an amount of £229,136 due from a connected company.

**Notes to the Financial Statements - continued  
for the year ended 30 June 2022**

**13. SHARE-BASED PAYMENT TRANSACTIONS**

Approved Share Option Plan

The Company operates an Approved EMI Share Option Plan where certain employees are granted options to purchase shares in the company. On exercise of the options by the employees, the Company issues new shares.

Since scheme inception in Dec-2017 options have been granted regularly at various exercise prices. The vesting schedule varies with each grant but in all instances, the options are only exercisable on a sale event so at the balance sheet date, no options are eligible to be exercised

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year under the Approved EMI Share Option Plan.

The Company is unable to directly measure the fair value of employee services received. Instead the fair value of the share options granted during the year is determined using the Black-Scholes model. The model is internationally recognised as being appropriate to value employee share schemes similar to the scheme the Company have in place.

Approved Options	2022		2021	
	No.	WAEP	No.	WAEP
Outstanding at 1 July	8,969,095	£0.19	8,140,849	£0.17
Granted during the year	-	-	828,246	£0.40
Lapsed during the year	344,099	£0.40	-	-
Outstanding at 30 June	8,624,996	£0.22	8,969,095	£0.19
Exercisable at 30 June	4,646,77	£0.04	-	-

The total charge for approved options was £41,109.

**Notes to the Financial Statements - continued  
for the year ended 30 June 2022**

Unapproved Share Option Plan

The company also operate an unapproved share option plan for certain individuals. Under this plan, individuals are granted options over Ordinary shares with options vesting under differing schedules. Again, options under this plan have been granted at an exercise price equal to the fair value of the shares under option at the time of grant and therefore no expense is recognised in the financial statements for the options granted under this plan.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year under the Unapproved Share Option Plan.

The Company is unable to directly measure the fair value of employee services received. Instead the fair value of the share options granted during the year is determined using the Black-Scholes model. The model is internationally recognised as being appropriate to value employee share schemes similar to the scheme the Company have in place.

Unapproved Options	2022		2021	
	No.	WAEP	No.	WAEP
Outstanding at 1 July	50,000	£0.40	-	£0.00
Granted during the year	-	-	50,000	£0.40
Outstanding at 30 June	50,000	£0.40	50,000	£0.40
Exercisable at 30 June	-	-	-	-

The total charge for unapproved options was £50.

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