

MEDICAL IMAGING PARTNERSHIP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
GL50 3AT

MEDICAL IMAGING PARTNERSHIP LIMITED

CONTENTS

Company Information	1
Directors' Report	2
Strategic Report	3 to 4
Statement of Directors' Responsibilities	5
Independent Auditor's Report	6 to 8
Profit and Loss Account	9
Balance Sheet	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12 to 24
Detailed Profit and Loss Account	25 to 27

MEDICAL IMAGING PARTNERSHIP LIMITED

COMPANY INFORMATION

Directors	A G Lennox P O Randell
Registered office	The Pavilions Unit 7 Brighton Road Pease Pottage Crawley RH11 9BJ
Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

MEDICAL IMAGING PARTNERSHIP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report and the financial statements for the year ended 31 March 2021.

Directors of the company

The directors who held office during the year were as follows:

A G Lennox

P O Randell

S E Bird (ceased 30 April 2021)

I S Francis (ceased 30 April 2021)

S J C Gray (ceased 30 April 2021)

J C C Serjeant (ceased 7 June 2021)

Financial instruments

Objectives and policies

The board constantly monitors the company's trading results and revise projections as appropriate to ensure that the company can meet its future obligations as they fall due.

Price risk, credit risk, liquidity risk and cash flow risk

The company is exposed to the usual credit and cash flow risks associated with selling on credit and manages this through credit control procedures. The company's bank loans and loan stock are subject to price and liquidity risk as disclosed in note 17 to the financial statements.

In accordance with the Financial Reporting Council's 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009', the directors of all companies are now required to provide disclosures regarding the adoption of the going concern basis of accounting.

The company has sufficient resources available and the directors have prepared forecasts for the next 12 months that indicate that this will continue to be the case and that these cash flows will be sufficient for the company to meet its financing commitments as they fall due. The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements.

Disclosure of information to the auditors

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

Hazlewoods LLP have expressed their willingness to continue in office.

29/3/2022

Approved by the Board on and signed on its behalf by:

Oliver Randell

.....
P O Randell
Director

MEDICAL IMAGING PARTNERSHIP LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their strategic report for the year ended 31 March 2021.

Principal activity

The principal activity of the company is that of the provision of imaging services.

Fair review of the business

Following Apposite Capital's investment in the Company in April 2016, Medical Imaging Partnership embarked on a development plan which, amongst other things involved significant senior recruitment in support of growth, and also the implementation of certain development initiatives in new regions, including South Manchester (Stockport). The business grew capability in finance, operations and business development with a consequent increase in overheads.

A period of overhead growth coincided with the expiry of several contracts outside our normal control resulting from client changes to delivery requirements or access. At the same time the business invested in a new centre in South Manchester involving start up costs which resulted in losses during the year. Post balance sheet, there has been a significant focus on consolidation, restructuring and reshaping the business to significantly reduce overhead whilst maintaining the quality and patient care for which the business is and remains ISAS accredited. This will allow the Company to continue to grow in areas of strategic value.

The business remains focussed on growing both core NHS activities in Sussex, primarily in the MSK arena, and building on world class prostate imaging capability which is being rolled out across all MRI scanning locations which, in combination with MSK and wider imaging capabilities serves insured and self-funding patients.

Our strategic focus continues to be the delivery of very high quality, niche imaging capabilities across all our locations, supporting wellness and the management of long term conditions.

The company uses a number of financial key performance indicators (KPIs), the principal KPIs are:

- Turnover and loss before tax as noted on page 9;
- MRI activity and fee income;
- % NHS/Private patient income;
- Equipment capacity and utilisation;
- Revenue per clinical hour; and
- Staff cost per test.

Principal risks and uncertainties

Our NHS activity is contracted to delivery capacity to meet demand stipulated by commissioners and demand can therefore fluctuate according to local commissioning priorities. NHS tariff for diagnostic examinations has reduced year on year for many consecutive financial periods. The business therefore faces pricing pressure in most areas of delivery, as health insurers also seek best value for money for their clients. This is addressed by our new model of care, a continuous focus on cost effective delivery and efficiency.

Whilst the pandemic infection rates continue to have peaks and troughs, there will continue to be uncertainty on the recovery rates of elective activity in the UK. This may translate into some variability in month by month demand placed on independent sector (IS) providers by the NHS, but is likely to be offset by an increased private pay demand as patients seek to avoid waiting lists.

MEDICAL IMAGING PARTNERSHIP LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

Future developments

The Richards Review and the GIRFT Report delivered in Q4 2020 both highlighted the need for clear segregation of acute diagnostics (to be done in hospitals) and elective activity to be delivered in community settings. These recommendations have now been adopted by NHSE/I and two Community Diagnostic Centre (CDC) frameworks established to enable commissioning. The NHS's own diagnostic growth forecasts are at 8-17% per annum for the next few years with the largest growth in the South East where the AIHC Group is predominately based.

With AIHC having won places on both CDC frameworks, there is significant potential to take advantage of the resultant demand and to expand existing work with the NHS. There is also opportunity for rapid growth within the private payor markets building on the proven success of the three Prime Health clinics in Surrey, London, and Manchester.

With the NHS and Royal College of Radiology both reporting a future shortfall of skilled workforce in image reporting (Consultant Radiologists), the teleradiology potential that AIHC has demonstrated is likely to be in great demand in the coming months and years.

29/3/2022

Approved by the Board on and signed on its behalf by:

Oliver Randell

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P O Randell
Director

MEDICAL IMAGING PARTNERSHIP LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report, Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MEDICAL IMAGING PARTNERSHIP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDICAL IMAGING PARTNERSHIP LIMITED

Opinion

We have audited the financial statements of Medical Imaging Partnership Limited (the 'company') for the year ended 31 March 2021, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MEDICAL IMAGING PARTNERSHIP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDICAL IMAGING PARTNERSHIP LIMITED

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

MEDICAL IMAGING PARTNERSHIP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDICAL IMAGING PARTNERSHIP LIMITED

We obtained an understanding of the legal and regulatory frameworks applicable to the financial statements or that had a fundamental effect on the operations of the group. We determined that the most significant laws and regulations included UK GAAP, UK Companies Act 2006, and taxation laws;

We understood how the group is complying with those legal and regulatory frameworks by making inquiries of the management, and those responsible for legal and compliance procedures. We corroborated our inquiries through our review of board minutes.

We assessed the susceptibility of the groups financial statements to material misstatement, including how fraud might occur.

Audit procedures performed by the Group engagement team included:

- Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- Challenging assumptions and judgments made by management in its significant accounting estimates;
- Identifying and testing journal entries, in particular any journal entries posted with unusual characteristics.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Martin Howard

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Martin Howard (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

29/3/2022
Date:.....

MEDICAL IMAGING PARTNERSHIP LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
Turnover	3	6,852,274	7,673,850
Cost of sales		<u>(3,421,411)</u>	<u>(3,534,030)</u>
Gross profit		3,430,863	4,139,820
Administrative expenses		(4,614,762)	(4,319,476)
Other operating income		<u>487,195</u>	<u>373,381</u>
Operating (loss)/profit before exceptional items and depreciation		(696,704)	193,725
Exceptional items	5	(404,593)	(353,383)
Depreciation		<u>(941,949)</u>	<u>(966,759)</u>
Operating loss	4	(2,043,246)	(1,126,417)
Other interest receivable and similar income		15	266
Interest payable and similar charges		<u>(453,130)</u>	<u>(425,680)</u>
Loss before tax		(2,496,361)	(1,551,831)
Taxation	11	<u>1,836,767</u>	<u>-</u>
Loss for the financial year		<u><u>(659,594)</u></u>	<u><u>(1,551,831)</u></u>

The above results were derived from continuing operations.

The company has no other comprehensive income for the year.

MEDICAL IMAGING PARTNERSHIP LIMITED

(REGISTRATION NUMBER: 06713311)
BALANCE SHEET AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	12	784,555	915,314
Tangible assets	13	3,110,777	3,849,331
Other financial assets	14	<u>185,000</u>	<u>150,000</u>
		<u>4,080,332</u>	<u>4,914,645</u>
Current assets			
Debtors	15	3,808,899	1,912,325
Cash at bank and in hand		<u>324,883</u>	<u>384,068</u>
		4,133,782	2,296,393
Creditors: Amounts falling due within one year	16	<u>(3,727,587)</u>	<u>(3,313,851)</u>
Net current assets/(liabilities)		<u>406,195</u>	<u>(1,017,458)</u>
Total assets less current liabilities		<u>4,486,527</u>	<u>3,897,187</u>
Creditors: Amounts falling due after more than one year	16	<u>6,037,451</u>	<u>9,057,224</u>
Capital and reserves			
Called up share capital	19	12,623	2,753
Share premium reserve		7,020,574	2,761,737
Profit and loss account		<u>(8,584,121)</u>	<u>(7,924,527)</u>
Total equity		<u>(1,550,924)</u>	<u>(5,160,037)</u>
Total capital, reserves and long term liabilities		<u>4,486,527</u>	<u>3,897,187</u>

29/3/2022

Approved and authorised by the Board on and signed on its behalf by:

Oliver Randell

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P O Randell
Director

MEDICAL IMAGING PARTNERSHIP LIMITED**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021**

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 April 2020	2,753	2,761,737	(7,924,527)	(5,160,037)
Loss for the year	-	-	(659,594)	(659,594)
Preference shares converted to ordinary shares	<u>9,870</u>	<u>4,258,837</u>	<u>-</u>	<u>4,268,707</u>
At 31 March 2021	<u><u>12,623</u></u>	<u><u>7,020,574</u></u>	<u><u>(8,584,121)</u></u>	<u><u>(1,550,924)</u></u>

	Share capital £	Share premium £	Other reserves £	Profit and loss account £	Total £
At 1 April 2019	2,513	2,761,737	106,996	(6,424,136)	(3,552,890)
Loss for the year	-	-	-	(1,551,831)	(1,551,831)
New share capital subscribed	240	-	-	-	240
Transfer of realised profits	-	-	(51,440)	51,440	-
Reversal of unrealised reserves	<u>-</u>	<u>-</u>	<u>(55,556)</u>	<u>-</u>	<u>(55,556)</u>
At 31 March 2020	<u><u>2,753</u></u>	<u><u>2,761,737</u></u>	<u><u>-</u></u>	<u><u>(7,924,527)</u></u>	<u><u>(5,160,037)</u></u>

The notes on pages 12 to 24 form an integral part of these financial statements.

MEDICAL IMAGING PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

The Pavilions Unit 7
Brighton Road
Pease Pottage
Crawley
RH11 9BJ

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.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Going concern

The directors have reviewed the company's projections for the future and have reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. The company's ability to continue as a going concern is reliant on the support of its creditors and in the opinion of the directors this support will continue for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Judgements and estimation uncertainty

The company makes judgements, estimates and assumptions that affect the application of policies and the carrying value of assets and liabilities, income and expenses. The resulting accounting estimates calculated using these judgements will, by definition, seldom equal the related actual results but are based on the experience of the directors and the expectations of future events. The estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. The key judgements and sources of estimation uncertainty are considered to be in relation to the depreciation policies used on tangible fixed assets and the company's ability to continue as a going concern.

At year end the directors have, based on forecasted results and using their judgement, recognised a deferred tax asset on the basis that it meets the recognition criteria of an asset in that it is measureable and is virtually certain that the accumulated taxable losses will be offset by taxable profits in the coming years.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company. The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities.

MEDICAL IMAGING PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

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, over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold property improvements	10% - 20% straight line
Plant and machinery	6.66% - 50% straight line and 10% reducing balance depending on specific class of plant and machinery
Fixtures and fittings	10% - 50% straight line and 15% reducing balance depending on specific class of fixtures and fittings
Computer equipment	20% - 50% straight line and 20% - 33% reducing balance depending on specific class of computer equipment

Intangible assets

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.

Negative goodwill arising on an acquisition is recognised on the face of the balance sheet on the acquisition date and subsequently the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered.

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:

Asset class	Amortisation method and rate
Goodwill	Straight line over 10 years

MEDICAL IMAGING PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Investments

Investments in equity shares which are publicly traded or where fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit and 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 services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. 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 debtors.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

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 the Profit and Loss Account 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 in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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 the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

MEDICAL IMAGING PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Share capital

Ordinary shares are classified as equity. 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. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Preference shares are classified as debt when they have a clear maturity date and do not contain an option to be converted into ordinary shares. Preference shares are considered, by the directors, to be non-basic in nature and are measured at their fair value at the balance sheet date.

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.

MEDICAL IMAGING PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Financial instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Impairment

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below. A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ('CGUs') of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis. Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

MEDICAL IMAGING PARTNERSHIP LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****3 Revenue**

The total turnover of the company has been derived from its principal activity wholly undertaken in the United Kingdom.

4 Operating profit

Arrived at after charging/(crediting):

	2021	2020
	£	£
Depreciation expense	811,190	833,603
Amortisation expense	130,759	130,759
Foreign exchange gains	-	(914)
Operating lease expense - property	823,047	736,050
Operating lease expense - plant and machinery	<u>157,632</u>	<u>400,229</u>

5 Exceptional items

	2021	2020
	£	£
Exceptional expenses	<u>404,593</u>	<u>353,383</u>

Exceptional expenses in the current year comprises rebranding costs, impairment of loan to related party, non-recurring consultancy fees and market research costs, directors' bonuses, redundancy costs and recruitment costs.

Exceptional expenses in the prior year comprised non-recurring COVID-19 control costs, directors' bonuses, restructuring costs, redundancy costs and recruitment costs.

6 Other interest receivable and similar income

	2021	2020
	£	£
Interest income on bank deposits	<u>15</u>	<u>266</u>

7 Interest payable and similar expenses

	2021	2020
	£	£
Interest on obligations under finance leases and hire purchase contracts	160,998	214,212
Interest expense on other finance liabilities	<u>292,132</u>	<u>211,468</u>
	<u>453,130</u>	<u>425,680</u>

MEDICAL IMAGING PARTNERSHIP LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****8 Staff costs**

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021	2020
	£	£
Wages and salaries	2,995,468	2,466,798
Social security costs	341,199	293,128
Pension costs, defined contribution scheme	107,537	90,490
	<u>3,444,204</u>	<u>2,850,416</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2021	2020
	No.	No.
Production	38	33
Administration and support	41	40
	<u>79</u>	<u>73</u>

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021	2020
	£	£
Remuneration	<u>445,107</u>	<u>328,837</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2021	2020
	No.	No.
Accruing benefits under defined benefit pension scheme	<u>3</u>	<u>2</u>

In respect of the highest paid director:

	2021	2020
	£	£
Remuneration	168,000	140,000
Company contributions to money purchase pension schemes	<u>9,600</u>	<u>7,370</u>

10 Auditors' remuneration

	2021	2020
	£	£
Audit of the financial statements	<u>12,500</u>	<u>12,500</u>
Other fees to auditors		
All other non-audit services	<u>3,000</u>	<u>3,000</u>

MEDICAL IMAGING PARTNERSHIP LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****11 Taxation**

Tax charged/(credited) in the profit and loss account

	2021 £	2020 £
Deferred taxation		
Arising from origination and reversal of timing differences	(497,460)	-
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	<u>(1,339,307)</u>	<u>-</u>
Total deferred taxation	<u><u>(1,836,767)</u></u>	<u><u>-</u></u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2020 - higher than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
Loss before tax	<u>(2,496,361)</u>	<u>(1,551,831)</u>
Corporation tax at standard rate	(474,309)	(294,848)
Effect of revenues exempt from taxation	(498)	(664)
Effect of expense not deductible in determining taxable profit (tax loss)	32,965	46,533
Deferred tax credit relating to changes in tax rates or laws	(119,390)	-
Deferred tax expense from unrecognised tax loss or credit	-	32,902
Deferred tax credit from unrecognised temporary difference from a prior period	(1,339,307)	-
Tax increase from effect of capital allowances and depreciation	68,308	62,358
Tax increase arising from group relief	<u>-</u>	<u>153,719</u>
Total tax credit	<u><u>(1,832,231)</u></u>	<u><u>-</u></u>

Deferred tax

Deferred tax assets and liabilities

2021	Asset £
Tax losses carried forward	<u><u>1,836,767</u></u>

There are £Nil of unused tax losses (2020 - £5,357,229) for which no deferred tax asset is recognised in the Balance Sheet.

Effective year ends commencing 1 April 2023, the corporation tax rate increases from 19% to 25%.

MEDICAL IMAGING PARTNERSHIP LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****12 Intangible assets**

	Goodwill £
Cost	
At 1 April 2020 and at 31 March 2021	<u>1,307,591</u>
Amortisation	
At 1 April 2020	392,277
Amortisation charge	<u>130,759</u>
At 31 March 2021	<u>523,036</u>
Carrying amount	
At 31 March 2021	<u>784,555</u>
At 31 March 2020	<u>915,314</u>

13 Tangible assets

	Leasehold improvements £	Furniture, fittings and equipment £	Total £
Cost			
At 1 April 2020	522,805	6,467,130	6,989,935
Additions	<u>-</u>	<u>72,636</u>	<u>72,636</u>
At 31 March 2021	<u>522,805</u>	<u>6,539,766</u>	<u>7,062,571</u>
Depreciation			
At 1 April 2020	68,361	3,072,243	3,140,604
Charge for the year	<u>53,379</u>	<u>757,811</u>	<u>811,190</u>
At 31 March 2021	<u>121,740</u>	<u>3,830,054</u>	<u>3,951,794</u>
Carrying amount			
At 31 March 2021	<u>401,065</u>	<u>2,709,712</u>	<u>3,110,777</u>
At 31 March 2020	<u>454,444</u>	<u>3,394,887</u>	<u>3,849,331</u>

14 Other financial assets

	Financial assets at cost less impairment £
Non-current financial assets	
Cost and carrying amount	
At 1 April 2020	150,000
Additions	<u>35,000</u>
At 31 March 2021	<u>185,000</u>

MEDICAL IMAGING PARTNERSHIP LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****15 Debtors**

	2021	2020
	£	£
Trade debtors	1,086,098	719,519
Amounts owed by group undertakings	32,948	-
Other debtors	297,331	480,741
Prepayments	555,755	712,065
Deferred tax assets	1,836,767	-
	<u>3,808,899</u>	<u>1,912,325</u>

16 Creditors

	Note	2021	2020
		£	£
Due within one year			
Loans and borrowings	17	843,615	796,843
Trade creditors		1,095,590	1,153,108
Amounts due to group undertakings		-	29,366
Social security and other taxes		334,993	162,928
Outstanding defined contribution pension costs		16,437	14,167
Accrued expenses		899,518	618,977
Deferred income		537,434	538,462
		<u>3,727,587</u>	<u>3,313,851</u>
Due after one year			
Loans and borrowings	17	<u>6,037,451</u>	<u>9,057,224</u>

MEDICAL IMAGING PARTNERSHIP LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****17 Loans and borrowings**

	2021	2020
	£	£
Current loans and borrowings		
HP and finance lease liabilities	<u>843,615</u>	<u>796,843</u>
	2021	2020
	£	£
Non-current loans and borrowings		
HP and finance lease liabilities	1,327,702	1,968,139
Redeemable preference shares	-	4,268,707
Other borrowings	<u>4,709,749</u>	<u>2,820,378</u>
	<u>6,037,451</u>	<u>9,057,224</u>

Other borrowings above represent loan notes of £1,551,946 (2020 - £1,433,299) and loans from the company's parent undertaking of £2,198,559 (2020 - £1,073,287) as well as a loan from another group undertaking of £959,244 (2020 - £313,792).

The loan notes were issued by Apposite Healthcare Fund II LLP, the company's ultimate controlling party. At 31 March 2021, the amount shown above represents capital of £1,181,786 (2020 - £1,181,786) and accrued interest of £370,160 (2020 - £251,513). Compound interest accrues on the loan notes at a rate of 9% per annum, and are repayable in six-monthly instalments which began on 31 May 2019 and ending on 30 November 2021.

The loans from parent undertaking represents principal loan amounts of £750,000 (2020 - £750,000), £100,000 (2020 - £100,000), £500,000 (2020 - £nil) and £500,000 (2020 - £nil) along with combined interest of £798,559. The £750,000 loan was issued interest free in December 2018 and is repayable in December 2020, but began accruing interest at a rate of 8% per annum 31 December 2019 when repayment moved from the original schedule. The loan was initially discounted and the discount unwound over the term of the loan. On 31 December 2019, when interest began accruing on the principal amount, the remaining discount was released from reserves.

The £100,000 loan was issued in March 2020 and becomes repayable in March 2024, the two £500,000 loans were issued in July 2020 and March 2021 respectively and become repayable in July 2022 and March 2023 respectively. These loans are all unsecured and incur interest at a fixed rate of 10% per annum.

Finance lease liabilities are secured on the assets to which they relate.

18 Pension and other schemes**Defined contribution pension scheme**

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £107,537 (2020 - £90,490).

Contributions totalling £16,437 (2020 - £14,167) were payable to the scheme at the end of the year and are included in creditors.

MEDICAL IMAGING PARTNERSHIP LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021****19 Share capital****Shares classified as equity****Allotted, called up and fully paid shares**

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 (2020 - £0) each	12,623	12,623	-	-
Ordinary A shares of £1 each	-	-	1,728	1,728
Ordinary B shares of £1 each	-	-	1,025	1,025
	<u>12,623</u>	<u>12,623</u>	<u>2,753</u>	<u>2,753</u>

Shares classified as debt**Authorised, allotted, called up and fully paid**

	2021	2020
	£	£
9,370 Preference shares of £1.00 each	<u>-</u>	<u>9,370</u>

Rights, preferences and restrictions

The £1 ordinary A shares and £1 ordinary B shares rank pari passu. The £1 preference shares attract full voting and dividend rights. Also the holders of the £1 preference shares are entitled to preferential rights on a capital distribution (including on winding up) and also have rights of redemption which are triggered on 29 April 2023.

On 31 March 2021, an ordinary resolution was passed for the ordinary A shares, ordinary B shares and the preference shares to be re-designated into ordinary shares of £1 each.

20 Obligations under leases and hire purchase contracts**Finance leases**

The total of future minimum lease payments is as follows:

	2021	2020
	£	£
Not later than one year	843,615	796,843
Later than one year and not later than five years	<u>1,327,701</u>	<u>1,968,138</u>
	<u>2,171,316</u>	<u>2,764,981</u>

Operating leases

The total of future minimum lease payments is as follows:

	2021	2020
	£	£
Not later than one year	829,649	527,815
Later than one year and not later than five years	<u>1,935,862</u>	<u>1,872,748</u>
	<u>2,765,511</u>	<u>2,400,563</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £823,047 (2020 - £530,094).

MEDICAL IMAGING PARTNERSHIP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

21 Related party transactions

Summary of transactions with key management

Key management personnel are considered to be the directors of the company and key management personnel compensation is disclosed in note 8 to the financial statements.

Summary of transactions with other related parties

During the year, the company paid radiologist fees to a director, some of which was paid via intermediary arrangements, of £nil (2020 - £223,258).

22 Parent and ultimate parent undertaking

The company's immediate and ultimate parent is Apposite Imaging Holding Company Limited, incorporated in England and Wales.

The most senior parent entity producing publicly available financial statements is Apposite Imaging Holding Company Limited. These financial statements are available upon request from Companies House.

The ultimate controlling party is Apposite Capital LLP by virtue of their ultimate majority shareholding.

MEDICAL IMAGING PARTNERSHIP LIMITED**DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
Turnover (analysed below)	6,852,274	7,673,850
Cost of sales (analysed below)	<u>3,421,411</u>	<u>3,534,030</u>
Gross profit	3,430,863	4,139,820
Administrative expenses		
Employment costs (analysed below)	1,690,264	1,417,072
Establishment costs (analysed below)	1,247,779	1,091,160
General administrative expenses (analysed below)	2,062,178	2,143,146
Finance charges (analysed below)	19,134	21,481
Depreciation costs (analysed below)	941,949	966,759
Other operating income (analysed below)	<u>487,195</u>	<u>373,381</u>
Operating loss	(2,043,246)	(1,126,417)
Other interest receivable and similar income (analysed below)	15	266
Interest payable and similar charges (analysed below)	<u>(453,130)</u>	<u>(425,680)</u>
Loss before tax	<u><u>(2,496,361)</u></u>	<u><u>(1,551,831)</u></u>

MEDICAL IMAGING PARTNERSHIP LIMITED**DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
Turnover		
Sales	6,758,264	7,296,569
Other income	94,010	377,281
	<u>6,852,274</u>	<u>7,673,850</u>
Cost of sales		
Purchases	1,634,329	2,079,957
Wages and salaries	1,551,612	1,285,944
Staff NIC (Employers)	179,041	128,470
Staff pensions	56,429	39,659
	<u>3,421,411</u>	<u>3,534,030</u>
Employment costs		
Wages and salaries	998,749	852,017
Staff NIC (Employers)	162,158	164,658
Directors remuneration	445,107	328,837
Staff pensions	51,108	50,831
Staff training	18,244	8,889
Staff welfare	14,898	11,840
	<u>1,690,264</u>	<u>1,417,072</u>
Establishment costs		
Rent	823,047	736,050
Rates	106,505	93,454
Water rates	2,994	(326)
Light, heat and power	227,637	171,572
Insurance	87,596	90,410
	<u>1,247,779</u>	<u>1,091,160</u>

MEDICAL IMAGING PARTNERSHIP LIMITED**DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
General administrative expenses		
Private health insurance	576	1,817
General maintenance	576,691	518,913
Telephone and fax	27,868	29,209
Office expenses	39,863	51,181
Computer software and maintenance costs	265,037	276,020
Printing, postage and stationery	13,912	26,288
Trade subscriptions	26,617	21,683
Hire of plant and machinery	157,632	400,229
Sundry expenses	-	28
Cleaning	72,342	82,431
Travel and subsistence	39,003	60,171
Advertising	160,277	86,044
Staff entertaining (allowable for tax)	3,404	11,084
Accountancy fees	4,247	2,746
Auditor's remuneration - The audit of the company's annual accounts	12,500	12,500
Auditors' remuneration - non audit work	3,000	3,000
Consultancy fees	127,589	153,631
Legal and professional fees	97,742	103,238
Bad debts written off	29,285	(50,450)
Exceptional administrative expenses	404,593	353,383
	<u>2,062,178</u>	<u>2,143,146</u>
Finance charges		
Bank charges	19,134	22,395
Foreign currency (gains)/losses	-	(914)
	<u>19,134</u>	<u>21,481</u>
Depreciation costs		
Amortisation of goodwill	130,759	130,759
Depreciation of long leasehold property	53,379	53,529
Depreciation of plant and machinery	675,113	685,814
Depreciation of fixtures and fittings	35,355	33,991
Depreciation of office equipment	47,343	60,269
(Profit)/loss on disposal of tangible fixed assets	-	2,397
	<u>941,949</u>	<u>966,759</u>
Other operating income		
Other income	<u>487,195</u>	<u>373,381</u>
Other interest receivable and similar income		
Bank interest receivable	<u>15</u>	<u>266</u>
Interest payable and similar expenses		
Hire purchase interest	160,998	214,212
Other interest payable	<u>292,132</u>	<u>211,468</u>
	<u>453,130</u>	<u>425,680</u>