Healthcircle Advertising Limited

Directors' Report and Financial Statements

15 Month Period Ended

31 March 2019

Company Number 06690361

Healthcircle Advertising Limited

Company Information

Directors	O J Dennis D T Miller D Snowball
Company secretary	A J Vernon
Registered number	06690361
Registered office	3 Booths Park Booths Hall Knutsford Cheshire England WA16 8GS
Independent auditor	BDO LLP 3 Hardman Street Manchester M3 3AT

Healthcircle Advertising Limited

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Healthcircle Advertising Limited

Directors' Report
For the 15 Month Period Ended 31 March 2019

The directors present their report and the financial statements for the 15 month period ended 31 March 2019. The prior period results relate to the year ended 31 December 2017 and are therefore not wholly comparable. The Company changed its year end to align to fellow group undertakings following its acquisition by the Fishawack Group.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 to 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.

Principal activity

The Company's principal activity is the provision of marketing services in respect of the healthcare sector.

Results and dividends

The profit for the 15 month period, after taxation, amounted to £1,324,075 (2017 - £817,604).

The directors do not recommend the payment of a dividend (year ended 31 December 2017 - £Nil).

Directors

The directors who served during the period were:

O J Dennis (appointed 29 June 2018)
J Kirkland (appointed 29 June 2018, resigned 19 September 2019)
D T Miller (appointed 29 June 2018)
Dr D Ingram (resigned 29 June 2018)
E S Maclaren (resigned 29 June 2018)
M Taylor (resigned 29 June 2018)

D Snowball was appointed as a Director on 9 September 2019, after the reporting date.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 19 December 2019 and signed on its behalf.

D Snowball
Director

Healthcircle Advertising Limited

Independent Auditor's Report to the Members of Healthcircle Advertising Limited

Opinion

We have audited the financial statements of Healthcircle Advertising Limited ("the Company") for the 15 month period ended 31 March 2019 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, and the 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 2019 and of its profit for the period 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other matter

The comparative period figures for the year ended 31 December 2017 are unaudited.

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.

Opinions on other matters 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's Report.

We have nothing to report in respect of the following matters in relation to which 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; or.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors Responsibilities Statement, 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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: https://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.

BDO LLP

Stuart Wood (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester
United Kingdom
19/12/2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Healthcircle Advertising Limited

Statement of Comprehensive Income
For the 15 Month Period Ended 31 March 2019

	15 months ended 31 March 2019 £	Unaudited Year ended 31 December 2017 £
Turnover	**5,815,420**	3,809,342
Cost of sales	**(3,296,719)**	(2,441,363)
Gross profit	**2,518,701**	1,367,979
Administrative expenses	**(1,080,431)**	(465,705)
Operating profit	**1,438,270**	902,274
Interest receivable and similar income	**3,957**	241
Profit before tax	**1,442,227**	902,515
Tax on profit	**(118,152)**	(84,911)
Profit for the financial period	**1,324,075**	817,604

There was no other comprehensive income for 2019 (2017:£NIL).

The notes on pages 9 to 17 form part of these financial statements.

Healthcircle Advertising Limited
Registered number: 06690361

Statement of Financial Position
As at 31 March 2019

	Note		31 March 2019 £		Unaudited 31 December 2017 £
Fixed assets					
Tangible assets	5		**48,717**		22,201
			48,717		22,201
Current assets					
Debtors: amounts falling due within one year	6	**2,059,418**		1,581,037	
Cash at bank and in hand		**1,928,575**		1,029,667	
		3,987,993		2,610,704	
Creditors: amounts falling due within one year	7	**(936,825)**		(874,323)	
Net current assets			**3,051,168**		1,736,381
Total assets less current liabilities			**3,099,885**		1,758,582
Provisions for liabilities					
Deferred tax			**(2,670)**		(3,974)
Net assets			**3,097,215**		1,754,608
Capital and reserves					
Called up share capital			**988**		960
Share premium account			**18,504**		-
Profit and loss account			**3,077,723**		1,753,648
			3,097,215		1,754,608

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 December 2019.

D Snowball
Director

The notes on pages 9 to 17 form part of these financial statements.

Healthcircle Advertising Limited

Statement of Changes in Equity
For the 15 Month Period Ended 31 March 2019

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2018 - unaudited	960	-	1,753,648	1,754,608
Comprehensive income for the period				
Profit for the period	-	-	1,324,075	1,324,075
Total comprehensive income for the period	-	-	1,324,075	1,324,075
Contributions by and distributions to owners				
Shares issued during the period	28	18,504	-	18,532
Total transactions with owners	28	18,504	-	18,532
At 31 March 2019	988	18,504	3,077,723	3,097,215

Statement of Changes in Equity
For the Year Ended 31 December 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2017 - unaudited	960	936,044	937,004
Comprehensive income for the year			
Profit for the year - unaudited	-	817,604	817,604
Total comprehensive income for the year	-	817,604	817,604
At 31 December 2017 - unaudited	960	1,753,648	1,754,608

The notes on pages 9 to 17 form part of these financial statements.

1. General information

Healthcircle Advertising Limited is a private Company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page and the nature of the Company's operations and its principal activities are disclosed in the Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The financial statements are prepared in GBP and rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 Turnover

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Profit on long-term contracts is recognised as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer.

2.3 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the statement of financial position date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the statement of comprehensive income.

2.4 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

2. Accounting policies (continued)

2.5 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.7 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2. Accounting policies (continued)

2.8 Tangible fixed assets

Tangible fixed assets are stated at costs less depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

Depreciation is provided on the following basis:

Fixtures, fittings and equipment	- previously 25% straight line, now 20% straight line
Computer equipment	- previously 50% straight line, now 33.3% straight line

2.9 Impairment of fixed assets

At each reporting period end date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.13 Financial instruments

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

The Company's cash at bank and in hand and trade and other debtors and its trade and other creditors and bank overdrafts are measured initially at the transaction price, including transaction costs, and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

If a transaction constitutes a financing transaction it is measured at the present value of the future payments discounted at a market rate of interest, except where loans are received from a person who is within a director's group of close family members and that group contains a shareholder of the company, then these are initially recorded at transaction price, and subsequently at amortised cost using the interest rate implicit in the contract.

2.14 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the group as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determine whether there are indicators of impairment of the Company's trade and other debtors and amounts due from group undertakings. When assessing impairment of trade and other debtors, management considers factors such as the ageing profile and historical experience. When assessing impairment of amounts due from group undertakings factors taken into consideration include the financial position and expected future financial performance of those entities.

Other key sources of estimation uncertainty

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual value, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Employees

The average monthly number of employees, including directors, during the 15 month period was 19 (2017 - 20).

5. Tangible fixed assets

	Office equipment £
Cost	
At 1 January 2018 - unaudited	**183,907**
Additions	**39,190**
At 31 March 2019	**223,097**
Depreciation	
At 1 January 2018 - unaudited	**161,706**
Charge for the period	**12,674**
At 31 March 2019	**174,380**
Net book value	
At 31 March 2019	**48,717**
At 31 December 2017 - unaudited	22,201

6. Debtors

	31 March 2019 £	As restated Unaudited 31 December 2017 £
Trade debtors	**593,851**	519,280
Amounts owed by group undertakings	**1,205,665**	-
Other debtors	**107,745**	932,059
Prepayments and accrued income	**152,157**	129,698
	2,059,418	1,581,037

Amounts owed by group undertakings are interest free and repayable on demand.

7. Creditors: Amounts falling due within one year

	31 March 2019 £	As restated Unaudited 31 December 2017 £
Trade creditors	**138,872**	41,243
Corporation tax	**119,656**	204,581
Other taxation and social security	**-**	53,689
Other creditors	**168,000**	268,374
Accruals and deferred income	**510,297**	306,436
	936,825	874,323

8. Deferred taxation

	31 March 2019 £	Unaudited 31 December 2017 £
At beginning of year	**3,974**	3,290
Charged to profit or loss	**(1,304)**	684
At end of year	**2,670**	3,974

The provision for deferred taxation is made up as follows:

	31 March 2019 £	Unaudited 31 December 2017 £
Accelerated capital allowances	**8,280**	3,974
Tax losses carried forward	**(5,610)**	-
	2,670	3,974

9. Share capital

	31 March 2019 £	31 December 2017 £
Allotted, called up and fully paid		
988 (2017 - 960) Ordinary shares of £1.00 each	**988**	960

On 28 June 2018 the Company issued 28 Ordinary shares at nominal value.

10. Prior year period

The directors reviewed the allocation of debtors and creditors and have increased prior period debtors by £268,374 and prior period creditors by £268,374. There is no impact to equity or profit.

11. Contingent liabilities

The Company has entered into a cross guarantee with the other companies in the group. At the year end, the potential liability of this guarantee amounted to £97 million (2017 - £Nil).

12. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £67,937 (year ended 31 December 2017 - £44,370). Contributions totalling £Nil (year ended 31 December 2017 - £5,760) were payable to the fund at the reporting date and are included in other creditors.

13. Commitments under operating leases

At 31 March 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	31 March 2019 £	Unaudited 31 December 2017 £
Not later than 1 year	**317,918**	107,929
Later than 1 year and not later than 5 years	**628,224**	69,168
	946,142	177,097

14. Related party transactions

The Company is a wholly owned subsidiary of Fishawack Creative Limited (formerly Fishawack Midco Limited) and has taken advantage of the available exemption conferred by section S1AC.35 of FRS 102s1A not to disclose transactions with group members due to consolidated accounts being publicly available.

15. Ultimate parent undertaking and controlling party

The Company's immediate parent company is Fishawack Creative Limited. The Company's ultimate parent undertaking is Fishawack Limited.

The largest and smallest group in which the results are consolidated is that headed by Fishawack Limited. Their registered office is No.3 Booths Park, Booths Hall, Chelford Road Knutsford, Cheshire, WA16 8GS. Copies of the consolidated financial statements can be obtained from Companies House, Cardiff, CF14 3UZ.

The directors consider that the Company is not controlled by any one individual person or entity.