

**740 (AP) LIMITED**

**UNAUDITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

**740 (AP) LIMITED**  
**REGISTERED NUMBER: 07869350**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2016**

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Intangible assets	4	324,764	357,240
Tangible assets	5	176,255	31,238
		<u>501,019</u>	<u>388,478</u>
<b>Current assets</b>			
Stocks		6,735	3,000
Debtors: amounts falling due within one year	6	25,962	63,990
Cash at bank	7	98,510	116,195
		<u>131,207</u>	<u>183,185</u>
Creditors: amounts falling due within one year	8	(128,820)	(166,150)
<b>Net current assets</b>		<u>2,387</u>	<u>17,035</u>
<b>Total assets less current liabilities</b>		<u>503,406</u>	<u>405,513</u>
Creditors: amounts falling due after more than one year	9	(25,798)	(20,877)
<b>Provisions for liabilities</b>			
Deferred tax	12	(8,739)	(4,281)
		<u>(8,739)</u>	<u>(4,281)</u>
<b>Net assets</b>		<u><u>468,869</u></u>	<u><u>380,355</u></u>
<b>Capital and reserves</b>			
Called up share capital	13	100	100
Profit and loss account		468,769	380,255
		<u><u>468,869</u></u>	<u><u>380,355</u></u>



**740 (AP) LIMITED**  
**REGISTERED NUMBER: 07869350**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2016**

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**Dr A Prynne**  
Director

Date: 27 September 2017  
The notes on pages 3 to 12 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**1. General information**

740 (AP) Limited is a private Company limited by shares incorporated in England and Wales within the United Kingdom. The address of the registered office is Tennyson House, Cambridge Business Park, Cambridge, CB4 0WZ. The principal activity of the Company continues to be that of a dental practice.

**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 judgment in applying the Company accounting policies.

These financial statement for the year ended 31 December 2016 are the first financial statements prepared in accordance with FRS 102 Section 1A. The date of transition to FRS 102 Section 1A was 01 January 2016.

The following principal accounting policies have been applied:

**2.2 Revenue**

Revenue is recognised in by the Company in respect of dental services during the year. Revenue is recognised upon completion of the service. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**2. Accounting policies (continued)****2.3 Intangible assets****Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Income and Retained Earnings over its useful economic life.

**Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

## **2.4 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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.

Depreciation is provided on the following basis:

Property & improvements	-		not depreciated
Plant and machinery	-	20%	straight line
Computer equipment	-	20%	straight line

## **2.5 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

## **2.6 Debtors**

Short term debtors are measured at transaction price, less any impairment.

## **740 (AP) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

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

##### **2.7 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.

##### **2.8 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

##### **2.9 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.

##### **2.10 Finance costs**

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### **2.11 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

##### **2.12 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 Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

##### **2.13 Borrowing costs**





**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**2. Accounting policies (continued)**

**2.14 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

**2.15 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, 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 corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet 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 Balance Sheet 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 balance sheet date.

**3. Employees**

The average monthly number of employees, including directors, during the year was 2 (2015 - 2).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**4. Intangible assets**

Goodwill  
£

**Cost**

At 1 January 2016	487,145
At 31 December 2016	<u>487,145</u>

**Amortisation**

At 1 January 2016	129,905
Charge for the year	32,476
At 31 December 2016	<u>162,381</u>

**Net book value**

At 31 December 2016	<u><u>324,764</u></u>
<b>At 31 December 2015</b>	<u><u>357,240</u></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**5. Tangible fixed assets**

	Property & improvements £	Other fixed assets £	Total £
<b>Cost</b>			
At 1 January 2016	-	40,913	40,913
Additions	124,499	35,876	160,375
At 31 December 2016	<u>124,499</u>	<u>76,789</u>	<u>201,288</u>
<b>Depreciation</b>			
At 1 January 2016	-	9,675	9,675
Charge for the year on owned assets	-	5,636	5,636
Charge for the year on financed assets	-	9,722	9,722
At 31 December 2016	<u>-</u>	<u>25,033</u>	<u>25,033</u>
<b>Net book value</b>			
At 31 December 2016	<u>124,499</u>	<u>51,756</u>	<u>176,255</u>
<b>At 31 December 2015</b>	<u>-</u>	<u>31,238</u>	<u>31,238</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2016 £	2015 £
Furniture, fittings and equipment	35,655	16,160
	<u>35,655</u>	<u>16,160</u>

**6. Debtors**

	2016 £	2015 £
Other debtors	24,681	60,760
Prepayments and accrued income	1,281	3,230
	<u>25,962</u>	<u>63,990</u>

**740 (AP) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**7. Cash and cash equivalents**

	2016 £	2015 £
Cash at bank	<u>98,510</u>	<u>116,195</u>

**8. Creditors: Amounts falling due within one year**

	2016 £	2015 £
Bank loans	6,059	26,247
Trade creditors	6,852	6,740
Corporation tax	40,111	35,782
Other taxation and social security	2,363	4,092
Obligations under finance lease and hire purchase contracts	13,490	4,037
Other creditors	49,451	78,044
Accruals and deferred income	10,494	11,208
	<u>128,820</u>	<u>166,150</u>

**9. Creditors: Amounts falling due after more than one year**

	2016 £	2015 £
Bank loans	-	6,059
Net obligations under finance leases and hire purchase contracts	<u>25,798</u>	<u>14,818</u>
	<u>25,798</u>	<u>20,877</u>

**Secured loans**

The aggregate amount of creditors for which security has been given amounted to £45,347 (2015 - £51,161).



**NOTES TO THE FINANCIAL STATEMENTS  
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**10. Loans**

Analysis of the maturity of loans is given below:

	2016 £	2015 £
<b>Amounts falling due within one year</b>		
Bank loans	6,059	26,247
	<u>6,059</u>	<u>26,247</u>
<b>Amounts falling due 1-2 years</b>		
Bank loans	-	6,059
	<u>-</u>	<u>6,059</u>
	<u>6,059</u>	<u>32,306</u>

**11. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	2016 £	2015 £
Within one year	13,490	4,037
Between 1-2 years	13,490	4,037
Between 2-5 years	12,309	10,781
	<u>39,289</u>	<u>18,855</u>

**12. Deferred taxation**

	2016 £	2015 £
At beginning of year	(4,281)	-
Charged to profit or loss	(4,458)	(4,281)
<b>At end of year</b>	<u>(8,739)</u>	<u>(4,281)</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**12. Deferred taxation (continued)**

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	<u>(8,739)</u>	<u>(4,281)</u>

**13. Share capital**

	2016 £	2015 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
75 Ordinary A shares of £1 each	75	75
25 Ordinary B shares of £1 each	25	25
	<u>100</u>	<u>100</u>

**14. 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 £30,526 (2015 - £Nil). No Contributions (2015 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**15. Transactions with directors**

At 01 January 2016 the Company owed the director £70,970. The director sold a 1/3 share in the freehold property to the Company at a market value of £116,667. Dividends of £26,393 were declared to the director. During the year the director withdrew amounts totalling £118,872, and the Company paid expenses on the director's behalf of £110,480. The director introduced an additional £56,710 of capital into the Company. At 31 December 2016 the director was owed £41,388 by the Company. This loan is interest free and repayable on demand.

**16. First time adoption of FRS 102**

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.