

THE DOCTORS CLINIC GROUP LTD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

THE DOCTORS CLINIC GROUP LTD
REGISTERED NUMBER:08841773

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	4	1,601,442	1,627,935
Tangible assets	5	490,532	498,798
		<u>2,091,974</u>	<u>2,126,733</u>
Current assets			
Stocks	7	76,303	51,427
Debtors: amounts falling due after more than one year	8	40,415	172,648
Debtors: amounts falling due within one year	8	783,183	827,714
Cash at bank and in hand	9	1,074,939	3,510,119
		<u>1,974,840</u>	<u>4,561,908</u>
Creditors: amounts falling due within one year	10	(2,415,880)	(2,697,346)
Net current (liabilities)/assets		<u>(441,040)</u>	<u>1,864,562</u>
Total assets less current liabilities		<u>1,650,934</u>	<u>3,991,295</u>
Creditors: amounts falling due after more than one year		(2,525,000)	(2,562,500)
Provisions for liabilities			
Deferred tax		(5,598)	-
		<u>(5,598)</u>	<u>-</u>
Net assets excluding pension asset		<u>(879,664)</u>	<u>1,428,795</u>
Net (liabilities)/assets		<u>(879,664)</u>	<u>1,428,795</u>
Capital and reserves			
Called up share capital	12	190,253	190,253
Share premium account		9,387,292	9,387,292
Profit and loss account		(10,457,209)	(8,148,750)
Equity attributable to owners of the parent Company		<u>(879,664)</u>	<u>1,428,795</u>
		<u>(879,664)</u>	<u>1,428,795</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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 consolidated statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

THE DOCTORS CLINIC GROUP LTD
REGISTERED NUMBER:08841773

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 November 2022.

D Mezher
Director

The notes on pages 7 to 23 form part of these financial statements.

THE DOCTORS CLINIC GROUP LTD
REGISTERED NUMBER:08841773

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	4	291,758	139,707
Tangible assets	5	424,171	450,860
Investments	6	2,955,216	2,955,216
		<hr/>	<hr/>
		3,671,145	3,545,783
Current assets			
Stocks	7	46,479	48,389
Debtors: amounts falling due after more than one year	8	40,415	172,648
Debtors: amounts falling due within one year	8	383,541	562,335
Cash at bank and in hand	9	544,824	2,761,700
		<hr/>	<hr/>
		1,015,259	3,545,072
Creditors: amounts falling due within one year	10	(2,233,396)	(2,650,594)
		<hr/>	<hr/>
Net current (liabilities)/assets		(1,218,137)	894,478
		<hr/>	<hr/>
Total assets less current liabilities		2,453,008	4,440,261
		<hr/>	<hr/>
Creditors: amounts falling due after more than one year		(2,000,000)	(2,000,000)
		<hr/>	<hr/>
Net assets		<u>453,008</u>	<u>2,440,261</u>
Capital and reserves			
Called up share capital	12	190,253	190,253
Share premium account		9,387,292	9,387,292
Profit and loss account brought forward		(7,137,284)	(6,425,243)
Loss for the year		(1,987,253)	(712,041)
Profit and loss account carried forward		(9,124,537)	(7,137,284)
		<hr/>	<hr/>
		<u>453,008</u>	<u>2,440,261</u>

THE DOCTORS CLINIC GROUP LTD
REGISTERED NUMBER:08841773

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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D Mezher
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THE DOCTORS CLINIC GROUP LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2020	190,253	9,387,292	(6,907,036)	2,670,509
Comprehensive income for the year				
Loss for the year	-	-	(1,241,714)	(1,241,714)
Total comprehensive income for the year	-	-	(1,241,714)	(1,241,714)
Total transactions with owners	-	-	-	-
At 1 January 2021	190,253	9,387,292	(8,148,750)	1,428,795
Comprehensive income for the year				
Loss for the year	-	-	(2,308,459)	(2,308,459)
Total comprehensive income for the year	-	-	(2,308,459)	(2,308,459)
Total transactions with owners	-	-	-	-
At 31 December 2021	190,253	9,387,292	(10,457,209)	(879,664)

The notes on pages 7 to 23 form part of these financial statements.

THE DOCTORS CLINIC GROUP LTD

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2020	190,253	9,387,292	(6,425,243)	3,152,302
Comprehensive income for the year				
Loss for the year	-	-	(712,041)	(712,041)
Total transactions with owners	-	-	-	-
At 1 January 2021	190,253	9,387,292	(7,137,284)	2,440,261
Comprehensive income for the year				
Loss for the year	-	-	(1,987,253)	(1,987,253)
Total transactions with owners	-	-	-	-
At 31 December 2021	190,253	9,387,292	(9,124,537)	453,008

The notes on pages 7 to 23 form part of these financial statements.

THE DOCTORS CLINIC GROUP LTD

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

1. General information

The Group is a private company limited by shares and incorporated in England and Wales. The registered office address and principal place of business is Bank Chambers, Second Floor, 6-10 Borough High Street, London, SE1 9QQ.

The principal activity of the Group is that of a healthcare provider.

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 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 Group management to exercise judgement in applying the Group's accounting policies.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

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

2. Accounting policies (continued)

2.3 Going concern

The shareholders' funds as at 31st December 2021 show a negative position of (£0.88)m with Group cash balances of £1.1m.

As noted in last year's accounts, the Group successfully raised £2m under the UK Government's Coronavirus Future Fund during 2020. The funds raised were split between the UK Government and existing shareholders and are loans in nature with the option to convert into equity.

As disclosed in Note 17 to the accounts the Group acquired Soma Health Limited in March 2022. An equity fund-raising process was undertaken to support this acquisition. The equity fund-raise was at a level that led to the conversion of the Future Fund into equity and this took place in June 2022.

The impact of the equity fund-raise and Future Fund conversion has been to improve the net asset position of the company by approximately £3.7m.

The directors have prepared a cash flow forecast to December 2023, which incorporates the acquisition of Soma Health Limited and, taking into account reasonably possible changes in operations, believe the Group will be able to settle its liabilities as they fall due for payment for the foreseeable future and have received a letter of support from the subsidiary to share its financial resources.

Oakfield Capital have provided written confirmation that they intend to support the Group financially as required to remain a going concern for a period of at least 12 month from the date of approval of the financial statements.

Therefore the directors consider that it is appropriate to prepare these financial statements on a going concern basis.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group 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 2021

2. Accounting policies (continued)

2.5 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss 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 lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.7 Government grants

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.9 Finance costs

Finance costs are charged to profit or loss 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.

2.10 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss 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 Group in independently administered funds.

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

2. Accounting policies (continued)

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax.

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

2.12 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 the Group's share 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 Consolidated statement of comprehensive income 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.

The estimated useful lives range as follows:

Development expenditure	-	4	years
Goodwill	-	10	years
Computer software	-	4	years

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

2. Accounting policies (continued)

2.13 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:

Short-term leasehold property	- Over lease term
Fixtures and fittings	- 20% straight line
Office equipment	- 20% straight line
Computer equipment	- 25% straight line

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 profit or loss.

2.14 Impairment of assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.16 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting 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.

2.17 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.

THE DOCTORS CLINIC GROUP LTD

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

2. Accounting policies (continued)

2.18 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.

2.19 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.

3. Employees

The average monthly number of employees, including the directors, during the year was as follows:

Group	<i>Group</i>	Company	<i>Company</i>
2021	<i>2020</i>	2021	<i>2020</i>
No.	<i>No.</i>	No.	<i>No.</i>
120	<i>108</i>	120	<i>65</i>

THE DOCTORS CLINIC GROUP LTD

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

4. Intangible assets

Group

	Development expenditure £	Computer software £	Goodwill £	Total £
Cost				
At 1 January 2021	58,902	113,815	1,785,434	1,958,151
Additions	116,695	87,994	-	204,689
At 31 December 2021	175,597	201,809	1,785,434	2,162,840
Amortisation				
At 1 January 2021	-	33,010	297,205	330,215
Charge for the year on owned assets	-	52,640	178,543	231,183
At 31 December 2021	-	85,650	475,748	561,398
Net book value				
At 31 December 2021	175,597	116,159	1,309,686	1,601,442
At 31 December 2020	58,902	80,805	1,488,228	1,627,935

THE DOCTORS CLINIC GROUP LTD

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

4. Intangible assets (continued)

Company

	Development expenditure £	Computer software £	Total £
Cost			
At 1 January 2021	58,902	113,815	172,717
Additions	116,695	87,994	204,689
At 31 December 2021	175,597	201,809	377,406
Amortisation			
At 1 January 2021	-	33,010	33,010
Charge for the year	-	52,640	52,640
At 31 December 2021	-	85,650	85,650
Net book value			
At 31 December 2021	175,597	116,159	291,756
At 31 December 2020	58,902	80,805	139,707

NOTES TO THE FINANCIAL

PERIOD ENDED 31 DECEMBER 2021

5. Tangible fixed assets

Group

	Short-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Computer equipment £
Cost or valuation					
At 1 January 2021	42,066	-	423,732	239,917	323,265
Additions	42,895	30,323	33,263	39,122	24,791
At 31 December 2021	<u>84,961</u>	<u>30,323</u>	<u>456,995</u>	<u>279,039</u>	<u>348,056</u>
Depreciation					
At 1 January 2021	11,217	-	219,784	148,389	165,378
Charge for the year on owned assets	50,719	30,323	56,971	21,538	45,356
At 31 December 2021	<u>61,936</u>	<u>30,323</u>	<u>276,755</u>	<u>169,927</u>	<u>210,734</u>
Net book value					
At 31 December 2021	<u>23,025</u>	<u>-</u>	<u>180,240</u>	<u>109,112</u>	<u>137,322</u>
At 31 December 2020	<u>30,849</u>	<u>-</u>	<u>203,948</u>	<u>91,528</u>	<u>157,887</u>

THE DOCTORS CLINIC GROUP LTD

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

5. Tangible fixed assets (continued)

	Other fixed assets £	Total £
Cost or valuation		
At 1 January 2021	32,863	1,061,843
Additions	234,422	404,816
	<hr/>	<hr/>
At 31 December 2021	267,285	1,466,659
	<hr/>	<hr/>
Depreciation		
At 1 January 2021	18,277	563,045
Charge for the year on owned assets	208,175	413,082
	<hr/>	<hr/>
At 31 December 2021	226,452	976,127
	<hr/>	<hr/>
Net book value		
At 31 December 2021	<u>40,833</u>	<u>490,532</u>
<i>At 31 December 2020</i>	<u>14,586</u>	<u>498,798</u>

THE DOCTORS CLINIC GROUP LTD

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

Company

	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2021	423,732	233,113	323,265	980,110
Additions	33,263	39,122	24,791	97,176
At 31 December 2021	<u>456,995</u>	<u>272,235</u>	<u>348,056</u>	<u>1,077,286</u>
Depreciation				
At 1 January 2021	219,784	144,088	165,378	529,250
Charge for the year on owned assets	56,971	21,538	45,356	123,865
At 31 December 2021	<u>276,755</u>	<u>165,626</u>	<u>210,734</u>	<u>653,115</u>
Net book value				
At 31 December 2021	<u>180,240</u>	<u>106,609</u>	<u>137,322</u>	<u>424,171</u>
<i>At 31 December 2020</i>	<u>203,948</u>	<u>89,025</u>	<u>157,887</u>	<u>450,860</u>

6. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2021	2,955,216
At 31 December 2021	<u>2,955,216</u>

THE DOCTORS CLINIC GROUP LTD

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

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Maitland Medical Service Limited	Bank Chambers, Second Floor, 6-10 Borough High Street, SE1 9QQ	Ordinary	100 %

The aggregate of the share capital and reserves as at 31 December 2021 and the profit or loss for the year ended on that date for the subsidiary undertaking was as follows:

Name	Profit
Maitland Medical Service Limited	260,431

Dividend declared and paid in the year £400,000 (2020: £596,000)

7. Stocks

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Medical supplies	76,303	51,427	46,479	48,389
	<u>76,303</u>	<u>51,427</u>	<u>46,479</u>	<u>48,389</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

THE DOCTORS CLINIC GROUP LTD

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

8. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Due after more than one year				
Other debtors	-	172,648	-	172,648
Prepayments and accrued income	40,415	-	40,415	-
	<u>40,415</u>	<u>172,648</u>	<u>40,415</u>	<u>172,648</u>

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Due within one year				
Trade debtors	405,853	447,633	45,106	202,553
Other debtors	96,004	45,027	93,303	43,062
Prepayments and accrued income	252,590	334,444	216,396	316,110
Tax recoverable	28,736	-	28,736	-
Grants receivable	-	610	-	610
	<u>783,183</u>	<u>827,714</u>	<u>383,541</u>	<u>562,335</u>

9. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	1,074,939	3,510,119	544,824	2,761,700
Less: bank overdrafts	(63,103)	-	(63,103)	-
	<u>1,011,836</u>	<u>3,510,119</u>	<u>481,721</u>	<u>2,761,700</u>

THE DOCTORS CLINIC GROUP LTD

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

10. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank overdrafts	63,103	-	63,103	-
Bank loans	37,500	37,500	-	-
Other loans	-	531,253	-	531,253
Trade creditors	360,518	568,974	301,639	504,673
Amounts owed to group undertakings	-	-	125,268	204,676
Other taxation and social security	224,391	255,179	182,724	234,221
Other creditors	775,820	162,942	685,446	155,748
Accruals and deferred income	954,548	1,141,498	875,216	1,020,023
	<u>2,415,880</u>	<u>2,697,346</u>	<u>2,233,396</u>	<u>2,650,594</u>

THE DOCTORS CLINIC GROUP LTD

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

11. Loans

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Amounts falling due within one year				
Bank loans	37,500	37,500	-	-
Other loans	-	531,253	-	531,253
	<u>37,500</u>	<u>568,753</u>	<u>-</u>	<u>531,253</u>
Amounts falling due 1-2 years				
Bank loans	150,000	150,000	-	-
	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>-</u>
Amounts falling due 2-5 years				
Other loans	2,000,000	2,000,000	2,000,000	2,000,000
	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
Amounts falling due after more than 5 years				
Bank loans	375,000	412,500	-	-
	<u>375,000</u>	<u>412,500</u>	<u>-</u>	<u>-</u>
	<u>2,562,500</u>	<u>3,131,253</u>	<u>2,000,000</u>	<u>2,531,253</u>

THE DOCTORS CLINIC GROUP LTD

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

11. Loans (continued)

Bank loans

Banks loans consists of a facility with HSBC under the Coronavirus Business Interruption Loan Scheme ("CBILS"). The facility has a maximum drawdown of £600,000. The facility is in place for 5 years from the date of drawdown. The facility incurs interest at 3.99% + BOE base rate per annum, on the outstanding principal amount. The balance of £600,000 is repayable in 48 equal installments, 12 months from the drawdown date. Capital and interest repayments began in October 2021.

Security is held in a form of a fixed charge over all present leasehold properties, first fixed charge over book and other debts both present and future along with a floating charge over all assets and undertaking both present and future.

Other loans

i) Future fund

Included within other loans is a future fund loan which was fully drawdown in September 2020. This has a maturity period of 36 months, and interest is applied at 8%. There is the option for this to be repaid at a redemption of 100% after 36 months, or for this to convert to a 20% discount on equity at the most recent funding round. The Directors' expect there to be a funding round prior to the maturity date and as a result, the loan has been recognised at amortised cost.

ii) Loan note consideration

Included within other loans are loan notes which were converted during the previous year from deferred and contingent consideration in respect of the acquisition of Maitland Medical Service Limited. The first period was interest free and interest was incurred at 5% from December 2021. The loan note has a long stop date of December 2024 at which point the principal amount will due to be repaid in full.

12. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
662,020 (2020 - 662,020) A Ordinary shares of £0.100000 each	66,202	66,202
103,905 (2020 - 103,905) B Ordinary shares of £1.000000 each	103,905	103,905
9,549 (2020 - 9,550) C2 Ordinary shares of £0.100000 each	955	955
490 (2020 - 490) C1 Ordinary shares of £0.100000 each	49	49
712 (2020 - 710) Deferred shares of £0.100000 each	71	71
6,357 (2020 - 6,357) E1 Ordinary shares of £1.000000 each	6,357	6,357
6,357 (2020 - 6,357) E2 Ordinary shares of £1.000000 each	6,357	6,357
6,357 (2020 - 6,357) E3 Ordinary shares of £1.000000 each	6,357	6,357
	<u>190,253</u>	<u>190,253</u>

13. 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 £102,049 (2020: £91,259). Contributions totalling £31,224 (2020: £24,877) were payable to the fund at the reporting date and are included in creditors.

THE DOCTORS CLINIC GROUP LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. Commitments under operating leases

At 31 December 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Not later than 1 year	338,083	566,829	278,080	566,829
Later than 1 year and not later than 5 years	178,472	161,292	83,472	161,292
	<u>516,555</u>	<u>728,121</u>	<u>361,552</u>	<u>728,121</u>

15. Related party transactions

As permitted by FRS 102 paragraphs 1.12e and 33.1a, the company has taken advantage of the exemption from disclosing transactions entered into between two or more members of a group as Maitland Medical Service Limited is wholly-owned by The Doctors Clinic Group Ltd.

During the year expenditure totalling £46,383 (2020: £46,383) was incurred in relation to Oakfield Capital Partners LLP, a shareholder. There was £46,383 accrued as at the year-end (2020: £nil).

A child of a director was employed as an admin assistant on an arm's length and short-term basis during the year and received emoluments of £1,082.

16. Post balance sheet events

The group acquired 100% of the shares of Soma Health Limited in March 2022 and made a further payment in November 2022 following the successful achievement of a completion requirement. The deal structure included two additional payments, which are a combination of deferred (not dependant on financial performance) and contingent (dependant on Soma EBITDA in the 12m post acquisition).

An equity fund-raise was undertaken to support this acquisition and was a level that led to the conversion of the Future Fund Convertible Loan into equity, the impact of which was to improve the net asset position of the company by approximately £3.7m.

The Group raised Convertible Loan funding of £450k in November 2022 to fund the additional payment to Soma and for working capital.

17. Controlling party

There was no one controlling party.

18. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2021 was unqualified.

The audit report was signed on 30 November 2022 by Ian Cliffe (Senior statutory auditor) on behalf of Haysmacintyre LLP.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.