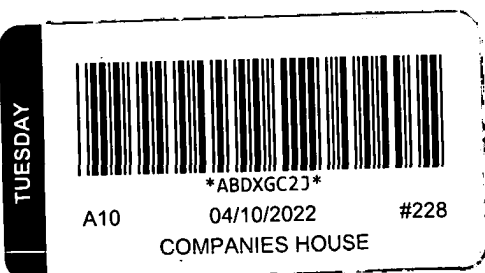


Registered number: 09913341

GOODSHAPE UK GROUP LIMITED (FORMERLY FIRST CARE UK GROUP LIMITED)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



GOODSHAPE UK GROUP LIMITED (FORMERLY FIRST CARE UK GROUP LIMITED)

COMPANY INFORMATION

Directors	T S Cole E E Radkiewicz M N Steinberg
Registered number	09913341
Registered office	10 Upper Berkeley Street London W1H 7PE
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Victoria House 199 Avebury Boulevard Milton Keynes MK9 1AU

GOODSHAPE UK GROUP LIMITED (FORMERLY FIRST CARE UK GROUP LIMITED)

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GOODSHAPE UK GROUP LIMITED (FORMERLY FIRST CARE UK GROUP LIMITED)

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Business review

On 25 March 2022, the Company changed its name from First Care UK Group Limited to Goodshape UK Group Limited.

The principal activity of the Group pivoted during the year from pure absence management services to a more platform/Software as a service (SAAS) based approach to 'Total Wellbeing Management', built on the bedrock of our historical business. The principal activity of the Company is that of a holding company.

The main market was both public and private sector companies in the United Kingdom which have a high number of UK-based employees.

During the year turnover declined due to the competitive nature of pure absence management services hence why we have pivoted to a blend of absence management & wellbeing 'Total Wellbeing Management.' Management expectations of sales growth was significantly impacted by Covid-19 where most of our customer base was focusing on more tactical rather than strategic projects during the year, the growth prospects for the future look positive as Covid-19 pressures alleviate and the market shifts towards wellbeing and productivity. There is further strengthening market sentiment behind regulating workplace wellbeing through ESG initiatives, giving our products & services a more strategic and C-Suite appeal. This is already enabling us to charge significantly more for our products.

The business continues to invest in growth and the new platform, GoodShape Central. This investment will help the business to further support its customers and provide a strong stable base for the future and to drive international growth.

Principal risks and uncertainties

The Company has identified the following factors as potential risks to, and uncertainties concerning the successful operation of the business:

Finance Risk

The Company relies on related party loans. The company prepares long-term cashflow and financing forecasts to de-risk its long-term strategy, forecast future working capital and long-term financing needs. These are reviewed regularly by management and updated as necessary.

Interest Risk

The interest rate is fixed on the related party loans and the loans attract payment-in-kind interest. As such the interest rate risk is considered minimal.

Market Risk

While clearly there is nervousness in global markets, we feel we are well-positioned to ride any downturn as our proposition is focused on productivity improvement and wellbeing of people. Furthermore, with 40% of our revenue coming from public sector and NHS, we have a balanced portfolio which will mitigate risks.

GOODSHAPE UK GROUP LIMITED (FORMERLY FIRST CARE UK GROUP LIMITED)

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Key performance indicators

The directors have reviewed the KPIs and are targeting a revenue and margin growth strategy. As such the main metrics are ARR (Annualised Recurring Revenue) £5.3M (2020: £5.9M), AAOV (average annual order value) £65k (2020: £62k) and Gross Margin 48% (2020: 53%). These metrics (except AAOV) reduced in the year however we have a positive outlook post year end and going forward. To improve these metrics on a go-forward we are looking both at accretive pricing and technological advances to reduce man-power in call centres and drive gross margin. One mitigating factor, during the year, was unprecedented volumes which we had to meet and hire for, to achieve SLAs, which will no longer impact us from the end of Q1 FY2022.

This report was approved by the board on 30 September 2022 and signed on its behalf.



T S Cole
Director

GOODSHAPE UK GROUP LIMITED (FORMERLY FIRST CARE UK GROUP LIMITED)

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

Results and dividends

The loss for the year, after taxation, amounted to £7,624,472 (2020: loss £6,652,236).

Directors

The directors who served during the year were:

T S Cole
E E Radkiewicz
M N Steinberg

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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, including FRS 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 and profit or loss of the Company and the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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 Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Future developments

The directors intend to further grow the Group's revenue from investing in sales & marketing activities and continued platform iteration.

Qualifying third party indemnity provisions

Directors' and officers' insurance cover has been established for all Directors to provide appropriate cover for their reasonable actions on behalf of the Group. The policy indemnities, which constitute a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006, were in force during the 2021 financial year and remain in force for all current and past Directors of the Group.

GOODSHAPE UK GROUP LIMITED (FORMERLY FIRST CARE UK GROUP LIMITED)

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 30 September 2022 and signed on its behalf.



T S Cole
Director



M N Steinberg
Director



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOODSHAPE UK GROUP LIMITED
(FORMERLY FIRST CARE UK GROUP LIMITED)**

Opinion

We have audited the financial statements of Goodshape UK Group Limited (formerly First Care UK Group Limited) (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows, the Consolidated and Company 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 Group's and of the parent Company's affairs as at 31 December 2021 and of the Group's 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 Group and the parent 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 are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and of the parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group and the parent Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's and of the parent Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Group's and of the parent Company's financial resources or ability to continue operations over the going concern period.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOODSHAPE UK GROUP LIMITED
(FORMERLY FIRST CARE UK GROUP LIMITED) (CONTINUED)**

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 Group's and of the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section 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.

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOODSHAPE UK GROUP LIMITED
(FORMERLY FIRST CARE UK GROUP LIMITED) (CONTINUED)**

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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 for the financial statements

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 Group's and the parent 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 Group or the parent 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 on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOODSHAPE UK GROUP LIMITED
(FORMERLY FIRST CARE UK GROUP LIMITED) (CONTINUED)**

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are those that relate to the reporting frameworks (FRS 102 and Companies Act 2006) and the relevant tax compliance regulations in the jurisdictions in which the Group operates.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We enquired of management and those charged with governance, concerning the Group's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations; and
 - the detection and response to the risks of fraud.
- We enquired of management and those charged with governance, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- In addition, we concluded that there are certain specific laws and regulations that may have an effect on the determination of amounts and disclosures in the financial statements and those laws and regulations relating to health and safety, employee matters, environmental and bribery and corruptions matters.
- We corroborated the results of our enquires to relevant supporting documentation.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOODSHAPE UK GROUP LIMITED
(FORMERLY FIRST CARE UK GROUP LIMITED) (CONTINUED)**

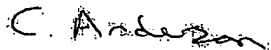
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
 - evaluation of the programmes and controls established to address the risks related to irregularities and fraud;
 - testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions; and,
 - identifying and testing related party transactions.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
 - knowledge of the industry in which the client operates;
 - understanding of the legal and regulatory requirements specific to the Group including:
 - ◆ the provisions of the applicable legislation;
 - ◆ the regulators' rules and related guidance, including guidance issued by relevant authorities that interprets those rules; and,
 - ◆ the applicable statutory provisions.
- We did not identify any matters relating to non-compliance with laws and regulation and fraud; and,
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the Group's operations, including the nature of its revenue sources and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
 - the applicable statutory provisions; and,
 - the Group's control environment, including the policies and procedures implemented to comply with the requirements of its regulator, the adequacy of procedures for authorisation of transactions, internal review procedures over the Group's compliance with regulatory requirements.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOODSHAPE UK GROUP LIMITED
(FORMERLY FIRST CARE UK GROUP LIMITED) (CONTINUED)**

Use of our report

This report is made solely to the Group'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 Group'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 Group and the Group's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read "C. Anderson".

Charlotte Anderson BSc FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Milton Keynes

30 September 2022

GOODSHAPE UK GROUP LIMITED (FORMERLY FIRST CARE UK GROUP LIMITED)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	5,380,620	6,165,326
Cost of sales		(2,817,634)	(2,895,342)
Gross profit		2,562,986	3,269,984
Administrative expenses		(9,778,259)	(9,259,489)
Operating loss	5	(7,215,273)	(5,989,505)
Interest receivable and similar income	8	-	164
Interest payable and similar expenses	9	(482,510)	(1,367,432)
Loss before taxation		(7,697,783)	(7,356,773)
Tax on loss	10	73,311	704,537
Loss for the financial year		(7,624,472)	(6,652,236)
 Total comprehensive income for the year		 (7,624,472)	 (6,652,236)
(Loss) for the year attributable to:			
Owners of the parent Company		(7,624,472)	(6,652,236)
		(7,624,472)	(6,652,236)
 Total comprehensive loss for the year attributable to:			
Owners of the parent Company		(7,624,472)	(6,652,236)
		(7,624,472)	(6,652,236)

There were no recognised gains and losses for 2021 or 2020 other than those included in the Consolidated Statement of Comprehensive Income.

In 2020, the loss for the year includes £1,475,598 of impairment relating to the goodwill from the acquisition of Goodshape UK Limited (formerly First Care Limited).

The notes on pages 19 to 37 form part of these financial statements.

GOODSHAPE UK GROUP LIMITED (FORMERLY FIRST CARE UK GROUP LIMITED)
REGISTERED NUMBER:09913341

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	11	10,096,253	11,290,706
Tangible assets	12	142,366	214,998
		<u>10,238,619</u>	<u>11,505,704</u>
Current assets			
Debtors: amounts falling due within one year	14	1,495,972	1,354,164
Cash at bank and in hand	15	513,679	4,190,962
		<u>2,009,651</u>	<u>5,545,126</u>
Creditors: amounts falling due within one year	16	(2,067,770)	(2,510,883)
Net current (liabilities)/assets		<u>(58,119)</u>	<u>3,034,243</u>
Total assets less current liabilities		<u>10,180,500</u>	<u>14,539,947</u>
Creditors: amounts falling due after more than one year	17	(2,974,956)	(10,469,931)
Net assets		<u><u>7,205,544</u></u>	<u><u>4,070,016</u></u>
Capital and reserves			
Called up share capital	18	400	200
Share premium account	19	34,678,301	23,918,501
Profit and loss account	19	(27,473,157)	(19,848,685)
Equity attributable to owners of the parent Company		<u><u>7,205,544</u></u>	<u><u>4,070,016</u></u>

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

T S Cole

T S Cole
Director

The notes on pages 19 to 37 form part of these financial statements.

GOODSHAPE UK GROUP LIMITED (FORMERLY FIRST CARE UK GROUP LIMITED)
REGISTERED NUMBER:09913341

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	11	24,825	-
Investments	13	14,775,781	1,063,000
		<u>14,800,606</u>	<u>1,063,000</u>
Current assets			
Debtors: amounts falling due within one year	14	2,163,973	2,806,034
Cash at bank and in hand	15	9,714	3,301,591
		<u>2,173,687</u>	<u>6,107,625</u>
Creditors: amounts falling due within one year	16	(116,276)	(311,863)
Net current assets		<u>2,057,411</u>	<u>5,795,762</u>
Total assets less current liabilities		<u>16,858,017</u>	<u>6,858,762</u>
Creditors: amounts falling due after more than one year	17	-	(820,807)
Net assets		<u><u>16,858,017</u></u>	<u><u>6,037,955</u></u>
Capital and reserves			
Called up share capital	18	400	200
Share premium account	19	34,678,301	23,918,501
Profit and loss account brought forward		(17,880,746)	939,048
Profit/(loss) for the year		60,062	(18,819,794)
Profit and loss account carried forward		<u>(17,820,684)</u>	<u>(17,880,746)</u>
		<u><u>16,858,017</u></u>	<u><u>6,037,955</u></u>

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

T S Cole
Director

Teresa Cole

The notes on pages 19 to 37 form part of these financial statements.

GOODSHAPE UK GROUP LIMITED (FORMERLY FIRST CARE UK GROUP LIMITED)

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

	Called up share capital	Share premium account	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£
At 1 January 2021	200	23,918,501	(19,848,685)	4,070,016	4,070,016
Comprehensive income for the year					
Loss for the year	-	-	(7,624,472)	(7,624,472)	(7,624,472)
Total comprehensive income for the year	-	-	(7,624,472)	(7,624,472)	(7,624,472)
Shares issued during the year	200	10,759,800	-	10,760,000	10,760,000
Total transactions with owners	200	10,759,800	-	10,760,000	10,760,000
At 31 December 2021	400	34,678,301	(27,473,157)	7,205,544	7,205,544

In 2020, the loss for the year includes £1,475,598 of impairment relating to the goodwill from the acquisition of in Goodshape UK Limited (formerly First Care Limited).

The notes on pages 19 to 37 form part of these financial statements.

GOODSHAPE UK GROUP LIMITED (FORMERLY FIRST CARE UK GROUP LIMITED)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Share premium account £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 January 2020 (as previously stated)	100	9,918,600	(14,276,601)	(4,357,901)	(4,357,901)
Prior year adjustment	-	-	1,080,152	1,080,152	1,080,152
At 1 January 2020 (as restated)	100	9,918,600	(13,196,449)	(3,277,749)	(3,277,749)
Comprehensive income for the year					
Loss for the year	-	-	(6,652,236)	(6,652,236)	(6,652,236)
Total comprehensive income for the year	-	-	(6,652,236)	(6,652,236)	(6,652,236)
Shares issued during the year	100	13,999,901	-	14,000,001	14,000,001
Total transactions with owners	100	13,999,901	-	14,000,001	14,000,001
At 31 December 2020	200	23,918,501	(19,848,685)	4,070,016	4,070,016

The notes on pages 19 to 37 form part of these financial statements.

GOODSHAPE UK GROUP LIMITED (FORMERLY FIRST CARE UK GROUP LIMITED)

**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 2021	200	23,918,501	(17,880,746)	6,037,955
Comprehensive income for the year				
Profit for the year	-	-	60,062	60,062
Total comprehensive income for the year	-	-	60,062	60,062
Contributions by and distributions to owners				
Shares issued during the year	200	10,759,800	-	10,760,000
Total transactions with owners	200	10,759,800	-	10,760,000
At 31 December 2021	400	34,678,301	(17,820,684)	16,858,017

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2020 (as previously stated)	100	9,918,600	(141,104)	9,777,596
Prior year adjustment	-	-	1,080,152	1,080,152
At 1 January 2020 (as restated)	100	9,918,600	939,048	10,857,748
Comprehensive income for the year				
Loss for the year	-	-	(18,819,794)	(18,819,794)
Total comprehensive income for the year	-	-	(18,819,794)	(18,819,794)
Contributions by and distributions to owners				
Shares issued during the year	100	13,999,901	-	14,000,001
Total transactions with owners	100	13,999,901	-	14,000,001
At 31 December 2020	200	23,918,501	(17,880,746)	6,037,955

The notes on pages 19 to 37 form part of these financial statements.

GOODSHAPE UK GROUP LIMITED (FORMERLY FIRST CARE UK GROUP LIMITED)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash flows from operating activities		
Loss for the financial year	(7,624,472)	(6,652,236)
Adjustments for:		
Valuation Adjustment write back	-	1,475,598
Net finance cost	482,510	1,366,260
Depreciation of tangible assets	194,340	341,639
Amortisation of intangible assets	820,698	711,576
Amortisation of Client List	374,041	374,040
Amortisation of goodwill	814,908	1,100,511
Taxation charge	(73,311)	(704,537)
Loss on disposal of intangibles	-	(1,250)
(Increase)/decrease in debtors	(68,498)	1,743,923
(Decrease) in creditors	(443,112)	(5,876,399)
Net cash generated from operating activities	(5,522,896)	(6,120,875)
Cash flows from investing activities		
Purchase of intangible fixed assets	(815,194)	(1,160,247)
Purchase of tangible fixed assets	(121,707)	(49,310)
Interest received	-	164
Net cash from investing activities	(936,901)	(1,209,393)
Cash flows from financing activities		
Issue of ordinary shares	10,760,000	13,999,900
Repayment of related party loans	(7,659,521)	(1,165,645)
Repayment of third-party loans	-	(795,455)
Interest paid	(317,965)	(663,592)
Net cash used in financing activities	2,782,514	11,375,208
Net (decrease)/increase in cash and cash equivalents	(3,677,283)	4,044,940
Cash and cash equivalents at beginning of year	4,190,962	146,022

GOODSHAPE UK GROUP LIMITED (FORMERLY FIRST CARE UK GROUP LIMITED)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash and cash equivalents at the end of year	513,679	4,190,962
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	513,679	4,190,962
	513,679	4,190,962

The notes on pages 19 to 37 form part of these financial statements.

GOODSHAPE UK GROUP LIMITED (FORMERLY FIRST CARE UK GROUP LIMITED)

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

1. General information

Goodshape UK Group Limited (formerly First Care UK Group Limited) is a private company limited by shares and incorporated in England and Wales. Registered number 09913341. Its registered head office is located at 10 Upper Berkeley Street, London, United Kingdom, W1H 7PE.

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 (see note 3).

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 Balance Sheet, 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.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102.

Therefore, the Group continues to recognise a merger reserve which arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

GOODSHAPE UK GROUP LIMITED (FORMERLY FIRST CARE UK GROUP LIMITED)

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

2. Accounting policies (continued)**2.3 Going concern**

The financial statements have been prepared on a going concern basis. The directors have reviewed the Company's business model including effects from arising macro-economic uncertainties such as impending recession, war in Ukraine, Brexit and Covid-19 as well as the current growth stage of the company's business model. They have stress-tested cash flows with a number of sensitivities up until December 2023. They have received commitments for funding to address the funding needs identified under the base case scenario. Under various scenarios identified in the stress testing, additional funding would be required beyond that already formally committed. Management have received a confirmation of ongoing support being available from the ultimate shareholders.

The Company has reviewed its cash flow forecasts, considering the impact on going concern it has concluded that the going concern basis remains an appropriate basis of preparation of these financial statements given the likely cashflow impact of operations 12 months from the date of signing this report.

Dependent on revenue growth, additional funding may be required beyond December 2023. Management will continue to review and stress test these forecasts on an ongoing basis to manage funds flow until such point as it is cash-generative on an on-going basis.

2.4 Foreign currency translation**Functional and presentation currency**

The Group's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

GOODSHAPE UK GROUP LIMITED (FORMERLY FIRST CARE UK GROUP LIMITED)

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

2. Accounting policies (continued)**2.5 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:

Turnover is stated net of trade discounts and VAT and is recognised when the significant risk and rewards are transferred to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Turnover for implementation services is recognised on commencement of delivery of the services. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

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 Interest income

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

2.8 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.

2.9 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 Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

GOODSHAPE UK GROUP LIMITED (FORMERLY FIRST CARE UK GROUP LIMITED)

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

2. Accounting policies (continued)**2.10 Taxation**

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 balance sheet date in the countries where the Company and the Group operate and generate income.

2.11 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 over 10 years 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. Software development is capitalised over the expected useful economic life of the project which ranges from 5-8 years.

2.12 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.

Depreciation is provided on the following basis:

Short-term leasehold property	-	20% straight line
Office equipment	-	33% straight line

GOODSHAPE UK GROUP LIMITED (FORMERLY FIRST CARE UK GROUP LIMITED)

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

2. Accounting policies (continued)**2.13 Impairment of fixed assets and goodwill**

Assets that are subject to depreciation or amortisation are assessed at each balance sheet 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 balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. An impairment review is carried out annually. If there is indication of impairment then any impairment is charged to the income statement. No reversals of impairment are recognised.

2.15 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.

2.16 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.17 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.

GOODSHAPE UK GROUP LIMITED (FORMERLY FIRST CARE UK GROUP LIMITED)

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

2. Accounting policies (continued)

2.18 Financial instruments

The Group only enters into basic financial instrument 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 ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

The Group only enters into basic financial instrument 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 ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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 Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

GOODSHAPE UK GROUP LIMITED (FORMERLY FIRST CARE UK GROUP LIMITED)

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

2. Accounting policies (continued)

2.18 Financial instruments (continued)

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The Group does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.19 Operating leases

Leases that do not transfer all the risks and rewards or ownership are classified as operating leases. Payments under operating leases are charges to profit or loss account on a straight-line basis over the period of time.

2.20 Share capital

Ordinary shares are classified as equity.

2.21 Related party transactions

Related party transactions are recorded on an arms-length basis and are details in the notes to these accounts.

GOODSHAPE UK GROUP LIMITED (FORMERLY FIRST CARE UK GROUP LIMITED)

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

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

The preparation of financial statements in conformity with generally accepted accounting practice requires the directors to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Assumptions and accounting estimates are subject to regular review. Any revisions required to accounting estimates are recognised in the period in which the revisions are made including all future periods affected.

The following are the significant estimates used in applying the accounting policies of the Group that have the most significant effect on the financial statements:

Intangible assets capitalisation policy

The Group establishes a reliable capitalisation policy for costs which are directly attributable to the development of the new software platform. This estimate is based on a variety of factors such as payroll costs, project development and third party costs. These costs are then subject to an annual impairment review to ascertain any write down in the asset under construction. Refer to note 11 for their carrying values at the year end. For all projects that have been capitalised, their economic benefits are assessed alongside the technical feasibility of completing the projects. All projects capitalised are intended to be used in the manner set out in the project plan. None of the use cases had changed for any of the projects during the year.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment. Refer to note 12 for their carrying values at the period end.

Intangibles Impairment

As required under FRS 102, the recoverable amount of a CGU shall be the higher of the fair value less cost to sell and the value in use. The directors consider the business to be one CGU. During the year, the group raised funds externally, and the valuation of the business exceeded the carrying value of the CGU. This valuation has been considered in determining the fair value less costs to sell. Therefore we concluded that no impairment was required in the carrying value of intangibles.

GOODSHAPE UK GROUP LIMITED (FORMERLY FIRST CARE UK GROUP LIMITED)

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

4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Turnover	<u>5,380,620</u>	<u>6,165,326</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	<u>5,380,620</u>	<u>6,165,326</u>

5. Operating loss

The operating loss is stated after charging:

	2021 £	2020 £
Exchange differences	2,009	2,730
Depreciation of tangible fixed assets	194,339	341,640
Amortisation of intangible fixed assets	<u>2,009,647</u>	<u>2,186,127</u>

6. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>91,800</u>	<u>75,290</u>

GOODSHAPE UK GROUP LIMITED (FORMERLY FIRST CARE UK GROUP LIMITED)

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

7. Employees

Staff costs were as follows:

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Wages and salaries	5,409,078	4,718,184	-	-
Social security costs	513,197	435,686	-	-
Cost of defined contribution scheme	119,808	111,912	-	-
	<u>6,042,083</u>	<u>5,265,782</u>	<u>-</u>	<u>-</u>

The average monthly number of employees for the group, including the directors, during the year was 195 (2020: 192). For the company, there were no employees (2020: nil).

The directors did not receive any remuneration from this Company during the year (2020: Nil).

8. Interest receivable

	2021 £	<i>2020 £</i>
Bank interest receivable	-	164
	<u>-</u>	<u>164</u>

9. Interest payable and similar expenses

	2021 £	<i>2020 £</i>
Bank loan interest payable	4	37,434
Other loan interest payable	475,450	1,323,550
Other interest - on overdue tax	7,056	6,448
	<u>482,510</u>	<u>1,367,432</u>

GOODSHAPE UK GROUP LIMITED (FORMERLY FIRST CARE UK GROUP LIMITED)

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

10. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	(73,311)	(704,537)
	<u>(73,311)</u>	<u>(704,537)</u>
Total current tax	<u>(73,311)</u>	<u>(704,537)</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on loss on ordinary activities	<u>(73,311)</u>	<u>(704,537)</u>

Factors affecting tax charge for the year

The above tax credits relate to research and development expenditure at 14.50%.

	2021 £	2020 £
Loss on ordinary activities before tax	<u>(7,697,783)</u>	<u>(7,356,773)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	<u>(1,462,579)</u>	<u>(1,397,787)</u>
Effects of:		
Unrelieved tax losses	<u>1,389,268</u>	<u>693,250</u>
Total tax charge for the year	<u>(73,311)</u>	<u>(704,537)</u>

Factors that may affect future tax charges

As at 31 December 2021 the group had £15,157,951 of pre-1 April 2017 trade losses (2020: £15,157,951) and £19,129,385 of post-1 April 2017 trading losses (2020: £12,951,856) to offset against future profits. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the group can utilise the benefits therefrom.

GOODSHAPE UK GROUP LIMITED (FORMERLY FIRST CARE UK GROUP LIMITED)

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

11. Intangible assets

Group

	Software development £	Customer relationships £	Goodwill £	Total £
Cost				
At 1 January 2021	6,360,820	3,740,405	11,005,114	21,106,339
Additions	815,194	-	-	815,194
At 31 December 2021	<u>7,176,014</u>	<u>3,740,405</u>	<u>11,005,114</u>	<u>21,921,533</u>
Amortisation				
At 1 January 2021	1,213,034	1,807,863	6,794,736	9,815,633
Charge for the year on owned assets	820,698	374,041	814,908	2,009,647
At 31 December 2021	<u>2,033,732</u>	<u>2,181,904</u>	<u>7,609,644</u>	<u>11,825,280</u>
Net book value				
At 31 December 2021	<u>5,142,282</u>	<u>1,558,501</u>	<u>3,395,470</u>	<u>10,096,253</u>
At 31 December 2020	<u>5,147,786</u>	<u>1,932,542</u>	<u>4,210,378</u>	<u>11,290,706</u>

GOODSHAPE UK GROUP LIMITED (FORMERLY FIRST CARE UK GROUP LIMITED)

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

11. Intangible assets (continued)

Company

	Software development £
Cost	
Additions	26,480
At 31 December 2021	<u>26,480</u>
Amortisation	
Charge for the year	1,655
At 31 December 2021	<u>1,655</u>
Net book value	
At 31 December 2021	<u><u>24,825</u></u>
At 31 December 2020	<u><u>-</u></u>

GOODSHAPE UK GROUP LIMITED (FORMERLY FIRST CARE UK GROUP LIMITED)

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

12. Tangible fixed assets

Group

	Short-term leasehold property £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2021	288,286	1,611,968	16,589	1,916,843
Additions	26,682	95,025	-	121,707
At 31 December 2021	<u>314,968</u>	<u>1,706,993</u>	<u>16,589</u>	<u>2,038,550</u>
Depreciation				
At 1 January 2021	222,972	1,464,474	14,399	1,701,845
Charge for the year on owned assets	59,124	134,157	1,058	194,339
At 31 December 2021	<u>282,096</u>	<u>1,598,631</u>	<u>15,457</u>	<u>1,896,184</u>
Net book value				
At 31 December 2021	<u>32,872</u>	<u>108,362</u>	<u>1,132</u>	<u>142,366</u>
At 31 December 2020	<u>65,314</u>	<u>147,494</u>	<u>2,190</u>	<u>214,998</u>

GOODSHAPE UK GROUP LIMITED (FORMERLY FIRST CARE UK GROUP LIMITED)

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

13. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2021	1,063,000
Additions	13,712,781
	<hr/>
At 31 December 2021	14,775,781
 Net book value	
At 31 December 2021	14,775,781
	<hr/>
At 31 December 2020	1,063,000
	<hr/>

The company purchased 2,000 of ordinary shares of £0.01 each in the capital of Goodshape UK Limited (First Care Limited), on 30th June 2021 and 16th December 2021, with the proceeds aggregating to £13,712,781 and with £13,712,761 going to the share premium account of GoodShape UK Limited.

The Company purchased 1,000 ordinary shares of £0.01 each in the capital of Goodshape UK Limited (First Care Limited), on 30th November 2020, with the proceeds in cash equating to £4,500,000 (with an aggregate share premium of £4,499,990 to be applied to Goodshape UK Limited's share premium account).

At 31 December 2020, an impairment review was carried out for the value of the Fixed Asset Investment in 100% of the share capital in Goodshape UK Limited (First Care Limited) and its subsidiaries, by Goodshape UK Group Limited (First Care UK Group Limited). Based off a discounted cash flow valuation only, the equity value was calculated at £1,063,000, due to the debt held in the company and the conservative valuation. The carrying value of the Fixed Asset Investment had been £19,663,893 and as such was impaired by £18,600,893. It should be noted that directors took a prudent approach to the valuation, and it was not based at all on any market-based valuation techniques which provided materially higher valuations. No impairment was necessary for the year ended 31 December 2021.

GOODSHAPE UK GROUP LIMITED (FORMERLY FIRST CARE UK GROUP LIMITED)

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

13. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Goodshape UK Limited	28 Clarendon Road, Watford, England, WD17 1JJ	Wellbeing software and services	Ordinary	100%
Remedio Systems Development Limited	28 Clarendon Road, Watford, England, WD17 1JJ	Software development	Ordinary	100%

14. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	448,834	279,851	-	-
Amounts owed by group undertakings	1,260	1,260	2,112,475	2,769,720
Amounts owed by related party undertakings	25,000	35,054	25,000	36,314
Other debtors	682,599	790,858	26,498	-
Prepayments and accrued income	338,279	247,141	-	-
	<u>1,495,972</u>	<u>1,354,164</u>	<u>2,163,973</u>	<u>2,806,034</u>

An impairment loss of £Nil (2020: £17,855) was recognised against trade debtors.

The amounts owed by group undertakings related to:

£1,260 (2020: £10,054) owing from MIHS No.1 Limited, which is unsecured and repayable on demand.

Amounts owed by related parties were £25,000 (2020: £25,000) from Marcol Health Limited. This is unsecured and repayable on demand.

15. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	513,679	4,190,962	9,714	3,301,591

GOODSHAPE UK GROUP LIMITED (FORMERLY FIRST CARE UK GROUP LIMITED)

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

16. Creditors: Amounts falling due within one year

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Trade creditors	437,761	584,981	-	-
Participation noteholders	46,616	246,863	46,616	246,863
Amounts owed to related undertakings	41,780	41,780	41,780	41,780
Other taxation and social security	396,234	823,909	-	-
Other creditors	-	47,000	-	-
Accruals and deferred income	1,145,379	766,350	27,880	23,220
	<u>2,067,770</u>	<u>2,510,883</u>	<u>116,276</u>	<u>311,863</u>

Participation notes are due immediately. Amounts owed to related parties includes £15,700 to Marcol International Asset Management Limited and £26,080 to Marcol Finance Limited, both are unsecured and repayable on demand.

17. Creditors: Amounts falling due after more than one year

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Amounts owed to related undertakings	<u>2,974,956</u>	<u>10,469,931</u>	<u>-</u>	<u>820,807</u>

The Group was provided a total facility of £7,850,000 (2020: £8,510,000) by Marcol Finance Limited, which is related to the Group by virtue of having the same controlling shareholders as that of the ultimate parent company. As at the balance sheet date, the loan outstanding was £2,974,956 (2020: £9,649,124) included in loan due to related undertakings. The interest rate for the loan is 10% which is accrued quarterly. During the year, interest was accrued of £454,331 (2020: £1,117,096). In 2021, the repayment date has been extended to 31 December 2023.

On 14 December 2017, the Group entered into a contract with Wadham Jersey Limited and TNC Jersey Limited (who are owned by Mark Steinberg and Terence Cole, respectively) for a loan amounting to £660,000. The purpose of the loan is for it to be used to purchase participation notes for the acquisition of Goodshape UK Limited (First Care Limited) in 2016. Interest is at 8% per annum. During the year interest was £21,119 (2020: £52,945). As at the balance sheet date, the loan has been fully repaid (2020: £820,807). This was included in amounts owed to related undertakings.

GOODSHAPE UK GROUP LIMITED (FORMERLY FIRST CARE UK GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
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18. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
400 (2020: 200) Ordinary shares of £1.00 each	400	200

There were 200 shares issued during the year, Total proceeds in cash amounted to £10,760,000 of which £10,759,800 went to the share premium account.

19. Reserves

Share premium account

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account

Includes all current & prior periods retained profits & losses.

20. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £119,808 (2020: £111,912). Contributions totalling £23,489 (2020: £12,751) were payable to the fund at the balance sheet date and are included in creditors.

21. Commitments under operating leases

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

	Group 2021 £	Group 2020 £
Not later than 1 year	117,690	191,492
Later than 1 year and not later than 5 years	528,648	522,500
Later than 5 years	-	73,765
	646,338	787,757

GOODSHAPE UK GROUP LIMITED (FORMERLY FIRST CARE UK GROUP LIMITED)

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

22. Related party transactions

The Group was provided a total facility of £7,850,000 (2020: £8,510,000) by the same shareholders as that of the ultimate Parent Company. As at the balance sheet date, the loan outstanding was £2,974,956 (2020: £9,649,124) included in loan due to related undertakings. The interest rate for the loan is 10% which is accrued quarterly. During the year, interest was accrued of £454,331 (2020: £1,117,096).

On 14 December 2017, the Group entered into a contract with Wadham Jersey Limited and TNC Jersey Limited (who are owned by Mark Steinberg and Terence Cole, respectively) for a loan amounting to £660,000. The purpose of the loan is for it to be used to purchase participation notes for the acquisition of Goodshape UK Limited (formerly First Care Limited) in 2016. Interest was at 8% per annum. During the year interest was £21,119 (2020: £52,945). As at the balance sheet date, the loan has been fully repaid (2020: £820,807). This was included in amounts owed to related undertakings.

The following related party transactions took place during the year. They are related by virtue of having the same controlling shareholders as the ultimate parent company.

	2021 Expense £	2021 Creditor Balance o/s £	2020 Expense £	2020 Creditor Balance o/s £
Board fees, business development costs, monitoring fees, directors fees, headhunter fees & international fees	175,083	12,188	463,564	132,590
Infrastructure personnel fees, hardware & software costs	559,617	33,804	193,148	30,458
	<u>559,617</u>	<u>33,804</u>	<u>193,148</u>	<u>30,458</u>

Of the £559,617 (2020: £193,148) for infrastructure personnel fees, hardware and software costs, £62,214 (2020: £62,073) were capitalised. The creditor balance of £33,804 (2020: £30,458) is payable to Alltime Technologies Limited, which is related to the Company by virtue of having the same controlling shareholders as that of the ultimate parent company.

Monitoring and other fees amounting to £12,188, (2020: £75,000) out of the creditor balance above is due to Marcol Health Limited, which is related to the Company by virtue of having the same controlling shareholders as that of the ultimate parent company.

Total indebtedness for investment activities and loan arrangements to related parties as at 31 December 2021 was £3,081,885 (2020: £10,649,759).

23. Controlling party

The Group's ultimate parent undertaking is MIHS No. 2 Limited, a company registered in England and Wales.