

**Push Dr Limited**

# **Report and Financial Statements**

**31 July 2017**



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## Company Information

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### Directors

E Ozagir

M Elcock

D T Bradley

V K Gulati

S J Given (Appointed on 18<sup>th</sup> October 2016)

L A Strafford (Appointed on 13<sup>th</sup> July 2017)

### Auditors

Ernst & Young LLP

2 St Peter's Square

Manchester

M3 3EY

### Bankers

The Royal Bank of Scotland

2 Canute Square

Knutsford

WA16 6BJ

### Solicitors

Hill Dickinson LLP

50 Fountain Street

Manchester

M2 2AS

### Registered Office

1<sup>st</sup> Floor, Arkwright House

Parsonage Gardens

Manchester

M3 2LF

## Statement of financial position

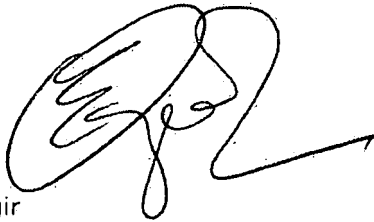
for the year ended 31 July 2017

	Note	2017 £	Restated 2016 £
<b>Fixed assets</b>			
Tangible assets	3	116,644	36,361
Intangible assets	4	716,734	222,766
		<u>833,378</u>	<u>259,127</u>
<b>Current assets</b>			
Debtors	5	303,212	143,215
Cash at bank and in hand		10,988,599	943,474
		<u>11,291,811</u>	<u>1,086,689</u>
Creditors: amount falling due within one year	6	(1,517,849)	(333,900)
<b>Net current assets</b>		<u>9,773,962</u>	<u>752,789</u>
<b>Net assets</b>		<u>10,607,340</u>	<u>1,011,916</u>
<b>Capital and reserves</b>			
Called up share capital	7,8	427	240
Share premium	8	18,880,016	3,554,374
Profit and loss account - deficit	8	(8,273,103)	(2,542,698)
		<u>10,607,340</u>	<u>1,011,916</u>

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

The directors have not delivered a copy of the company's profit and loss account to the Registrar, as permitted by section 444(1) and in accordance with section 444(5A).

E. Ozagir  
Director  
30 April 2018



## Statement of changes in equity

as at 31 July 2017

	<i>Called up share capital</i>	<i>Share premium</i>	<i>Profit and loss account</i>	<i>Total equity</i>
	£	£	£	£
At 1 August 2015	146	800,273	(594,626)	205,793
Loss for the year	-	-	(1,948,072)	(1,948,072)
Issue of share capital	94	2,754,101	-	2,754,195
At 31 July 2016 - restated	240	3,554,374	(2,542,698)	1,011,916
Loss for the year	-	-	(5,730,405)	(5,730,405)
Issue of share capital	187	15,325,642	-	15,325,829
At 31 July 2017	427	18,880,016	(8,273,103)	10,607,340

## Notes to the financial statements

as at 31 July 2017

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### 1. Accounting policies

#### 1.1 Company information

Push Dr Limited is a private company limited by shares, which is incorporated and domiciled in the United Kingdom. The registered address of the company is 1<sup>st</sup> Floor, Arkwright House, Parsonage Gardens, Manchester, M3 2LF. The principal activity of the company is connecting customers to digital primary healthcare services through the Company's network of practitioners.

#### 1.2 Basis of preparation of financial statements

The financial statements have been prepared in compliance with FRS 102 Section 1A small entities as it applies to the financial statements for the year ended 31 July 2017. The financial statements are prepared under the historical cost convention and in accordance with applicable UK accounting standards.

The financial statements are transitioned from previously extant UK GAAP to FRS 102 Section 1A small entities as at 1<sup>st</sup> August 2015. An explanation of how transition to FRS 102 Section 1A small entities has affected the reported financial position and financial performance is given in note 19.

The auditor's report on the accounts for the financial year ended 31 July 2017 which was audited by Ernst & Young LLP and signed on behalf of the auditor by Tehseen Ali as Senior Statutory Auditor, was unqualified and was modified as follows:

#### *Material uncertainty related to going concern*

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of £5,730,405 during the year ended 31 July 2017 and has forecast that its current cash resources are not sufficient to meet its liabilities as they fall due over the next twelve months, unless additional investment funds are raised. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The financial statements are transitioned from previously extant UK GAAP to FRS 102 Section 1A small entities as at 1<sup>st</sup> August 2015. An explanation of how transition to FRS 102 Section 1A small entities has affected the reported financial position and financial performance is given in note 14.

The financial statements of Push Dr Limited were authorised for issue by the Board of Directors on ~~30~~ April 2018. The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest pound (£).

## Notes to the financial statements

as at 31 July 2017

### Restatement of comparative figures

The comparative financial statements for 2016 are for the period 1 August 2015 to 31 July 2016. These comparatives have been restated to reflect changes in the Company's revenue recognition policy. The Company has reviewed its contracts and how it accounts for the provision of its services. In the year ended 31 July 2016, the company had previously been recognising the revenue as a principal in the transaction. Following a review of the contracts, the directors are of the opinion that the Company had been acting as an agent and accordingly has amended its accounting policy that has resulted as a restatement of the comparative figures. Revenue now represents commissions received on a transaction.

The following represents the changes in the financial statements:

	Previously reported £	Restated £
Creditors	(331,656)	(333,900)

### 1.3 Going concern

The financial statements are prepared under the going concern basis. The directors have prepared the cash flow forecasts for a period to July 2019. On the basis of the cash flow projections the directors have, as is natural for high-growth early stage businesses, identified a material uncertainty in the Company's ability to meet its liabilities as they fall due as it has yet to finalise its' next stage of funding. The directors however, are taking actions, including preparatory steps for the next stage of funding and reducing discretionary expenditure, to avoid this risk and this coupled with the continued support of existing shareholders are satisfied that it is appropriate to prepare the financial statements of the Company on a going concern basis. These financial statements do not include the adjustments that would be necessary if the Company was unable to continue as a going concern.

### 1.4 Judgement and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the year-end date and the amounts reported for revenues and expenses during the year.

However, the nature of estimation means that actual outcomes could differ from those estimates. Other than the going concern assumption and the recognition of revenue as an agent, noted above, the following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Development expenditure

Development expenditure is capitalised in accordance with the accounting policy given below. Initial capitalisation of costs is based on management's judgement that technical and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project

## Notes to the financial statements

as at 31 July 2017

management model. In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.

### Taxation

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

### 1.5 Basic financial instruments

#### *Trade and other debtors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Debtors are assessed for impairment at each year end date.

#### *Trade and other creditors*

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs.

#### *Cash at bank and in hand*

Cash at bank and in hand comprise cash balances.

### 1.6 Turnover

Turnover represents the amount derived from the provision of goods and services which fall within the Company's continuing ordinary activities as an agent and is stated net of value added tax and trade discounts. Revenue is recognised when services are provided. Turnover is relating to revenue from the rendering of services.

#### *Rendering of Services*

Turnover relates to income received from introducing and connecting primary healthcare patients with general practitioners and is recognised at the time a connection occurs. Some services are paid annually in advance. This income is deferred and recognised across the appropriate period of service.

### 1.7 Tangible assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Depreciation is provided at the following annual rates in order to write off each asset on a systematic basis over its estimated useful life. The following useful economic lives are applied:

Fixture and fittings	- 4 years
Computer equipment	- 3 years
Software	- 1 year



## Notes to the financial statements

as at 31 July 2017

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### 1.8 Intangible assets

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits and are amortised on the straight-line basis over the anticipated life of the benefits arising from the completed products or project.

Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment. Intangible assets are amortised on a straight-line basis over their estimated useful lives. The following useful economic lives are applied:

Platform development cost (see 1.9 below)	- 5 years
Trademarks	- 3 years
IT overheads	- 1 year

### 1.9 Research and development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is capitalised as an intangible asset when the company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised evenly over the period of expected future benefit. The asset is tested for impairment annually through its future cash flows and value in use.

Pure and applied research expenditure may not be capitalised and is written off in the year of expenditure through the profit and loss account.

### 1.10 Income Taxes

#### *Current income tax*

The Company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

The company has tax losses of approximately £8,273,103 (2016: £2,542,698) available to carry forward and offset future taxable profits.

## Notes to the financial statements

as at 31 July 2017

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### *Deferred Taxation*

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statement and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax assets and liabilities are not discounted.

### **1.11 Foreign Currencies**

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year-end date are retranslated to the Company's functional currency at the foreign exchange rate ruling at that date.

Exchange gains and losses are taken to the profit and loss account in arriving at the operating profit.

### **1.12 Pension**

The Company operates a defined contribution pension scheme. Contributions to defined contribution schemes are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

## **2. Turnover**

Turnover represents the amount derived from the provision of goods and services which fall within the Company's continuing ordinary activities and is stated net of value added tax and trade discounts. Turnover of the company is all attributable within the United Kingdom.

## Notes to the financial statements

as at 31 July 2017

### 3. Tangible assets

	<i>Fixture and fittings</i>	<i>Computer equipment</i>	<i>Software</i>	<i>Total</i>
	£	£	£	£
<b>Cost:</b>				
At 1 <sup>st</sup> August 2016	23,630	17,426	-	41,056
Additions	15,003	84,095	6,602	105,700
Disposals	-	-	-	-
At 31 July 2017	38,633	101,521	6,602	146,756
<b>Depreciation</b>				
At 1 <sup>st</sup> August 2016	(3,231)	(1,464)	-	(4,695)
Provided during the year	(7,676)	(16,114)	(1,627)	(25,417)
Impairment loss	-	-	-	-
Disposals	-	-	-	-
At 31 July 2017	(10,907)	(17,578)	(1,627)	(30,112)
<b>Net Book Value</b>				
At 31 July 2017	27,726	83,943	4,975	116,644
At 31 July 2016	20,399	15,962	-	36,361

### 4. Intangible Assets

	<i>Platform Development costs</i>	<i>Trademarks</i>	<i>Total</i>
	£	£	£
<b>Cost:</b>			
At 1 <sup>st</sup> August 2016	244,534	-	244,534
Additions during the year	566,847	37,112	603,959
At 31 July 2017	811,381	37,112	848,493
<b>Amortisation</b>			
At 1 <sup>st</sup> August 2016	(21,768)	-	(21,768)
Provided during the year	(104,557)	(5,434)	(109,991)
At 31 July 2017	(126,325)	(5,434)	(131,759)
<b>Net Book Value</b>			
At 31 July 2017	685,056	31,678	716,734
At 31 July 2016	222,766	-	222,766

## Notes to the financial statements

as at 31 July 2017

### 5. Debtors

	2017 £	2016 £
Trade debtors	108,528	-
Other debtors	-	12,781
Prepayments and accrued income	194,684	130,434
	<u>303,212</u>	<u>143,215</u>

### 6. Creditors: Amounts Falling Due Within One Year

	2017 £	Restated 2016 £
Trade creditors	826,076	129,918
Corporation tax	-	-
Social security and other taxes	71,474	35,861
Other creditors	19,166	-
Accruals and deferred income	601,133	168,121
	<u>1,517,849</u>	<u>333,900</u>

### 7. Allocated and Issued Share Capital

*Allotted, called up and fully paid*

	2017 £	2016 £
1,457,300 (2016: 14,573) Ordinary shares of £0.0001 (2016: £0.01) each	145.73	145.73
1,889,200 (2016: 9,414) - Series A shares of £0.0001 (2016: £0.01) each	188.92	94.14
924,107 (2016: nil) - Series B shares of £0.0001 each	92.41	-
	<u>427</u>	<u>240</u>

On 22 November 2016 the Company issued 8,290 Series A shares of £0.01 each at a premium of £415.82 per share. The consideration was received in cash.

On 23 December 2016 the Company issued 1,008 Series A shares of £0.01 each at a premium of £415.82 per share. The consideration was received in cash.

On 20 February 2017 the Company issued 180 Series A shares of £0.01 each at a premium of £415.82 cash per share. The consideration was received in cash.

On the 28 June 2017, the 14,573 Ordinary shares of £0.01 each and the 18,892 Series A shares of £0.01 each in issue at that date were reclassified into 1,457,300 Ordinary

## Notes to the financial statements

as at 31 July 2017

shares of £0.001 each and 1,889,200 Series A of £0.001 each. The voting rights attached to each of those shares classes remained unchanged.

On 28 June 2017 the Company issued 729,302 Series B shares of £0.0001 each at a premium of £12.32 per share. The consideration was received in cash.

On 18 July 2017 the Company issued 194,805 Series B shares of £0.0001 each at a premium of £12.32 per share. The consideration was received in cash.

The ordinary shares contain full voting rights, entitlement to dividend and capital distribution (including on winding up).

The Series A and Series B shares are entitled to one vote per share. Each share is entitled to pari parssu to dividend payments and or any other distribution. Each share is entitled to participate in a distribution from a winding up pro-rata to the amounts (including share premium) paid up on each share until each shareholder has received those amounts in full and thereafter pro-rata to the number of shares held.

### 8. Reserves

	<i>Called up Share Capital</i>	<i>Share Premium Account</i>	<i>Profit and loss</i>
	<i>£</i>	<i>£</i>	<i>£</i>
At 1 August 2016 – Restated	240	3,554,374	(2,542,698)
Shares issued during the year	187	-	-
Premium on shares issued during the year	-	15,325,642	-
Loss during the year	-	-	(5,730,405)
At 31 July 2017	<u>427</u>	<u>18,880,016</u>	<u>(8,273,103)</u>

### 9. Contingent assets

As at 31 July 2017 and following the restatement of revenue as an agent the business identified a contingent asset totalling £570,638 in respect of previously irrecoverable input VAT. The process to recover these input taxes has been undertaken by the Company and is in due process. (2016: £14,014). Given that the amount and timing is not virtually certain, the amounts have not been recorded in the income statement nor the statement of financial position.

### 10. Contingent liabilities and capital commitments

As at 31 July 2017 and 31 July 2016, the directors have confirmed that the Company had no contingent liabilities.

### 11. Guarantees and other financial commitments

As at 31 July 2017 and 31 July 2016 the Company had offered no guarantees.

## Notes to the financial statements

as at 31 July 2017

The Company had future minimum lease payments under non-cancellable operating leases for property at John Dalton Street, Manchester as at 31 July 2017. This commitment totalled £10,080, terminating 31 January 2018.

### 12. Directors Advances, Credit and Guarantees

As at 31 July 2017 and 31 July 2016 the Company had not entered into any loans, credit transactions and related guarantees and security with its directors or persons connected with its directors.

### 13. Subsequent Events

In January 2018 the Company issued 210,350 Series B shares of £0.0001 each for a total consideration of £2,591,512, as stage 2 of its B round funding, all of which was received as cash.

Further, in March 2018 the Company issued Series B shares for £5,729,120, as stage 3 of its funding round, all of which was received as cash. These drawdowns occurred following staging agreed and assured with HMRC as part of the issue of new series B share capital in June 2017.

In December 2017 the Company entered into rental lease agreements for new office premises to support headcount growth in the year. As such the Company has future minimum lease payments under non-cancellable operating leases for buildings as follows:

	2018 £
Not later than 1 year	2,098
Later than 1 year and not later than 5 years	1,390,972
Later than 5 years	-
	<u>1,393,070</u>

### 14. Transition to FRS 102 Section 1A Small Entities

For all periods up to and including the year ended 31 July 2016, the company prepared its financial statements in accordance with previously extant United Kingdom generally accepted accounting practice (UK GAAP). The effective date of transitioned to FRS 102 is 1 August 2015. These financial statements, for the year ended 31 July 2017, are the first the company has prepared in accordance with FRS 102 Section 1A.

Accordingly, the company has prepared financial statements which comply with FRS 102 applicable for periods ending on or after 31 July 2017, together with the comparative period data as at and for the year ended 31 July 2016, as described in the summary of significant accounting policies. This note explains the principal adjustments made by the company in restating its UK GAAP financial statements, including the statement of financial position as at and for the year ended 31 July 2016.

## Notes to the financial statements

*as at 31 July 2017*

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### Transitional relief

On transition to FRS 102 from previous UK GAAP, the company has taken advantage of transitional relief as follows:

- The company has elected to treat the carrying amount of the tangible and intangible assets under previous UK GAAP at the date of transition as deemed cost on transition to FRS 102.

No differences material differences were identified on the transition to FRS 102.