

Healthcircle Advertising Limited

Director's Report and Financial Statements

Year Ended

31 March 2021

Company Number 06690361

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Healthcircle Advertising Limited

Company Information

Directors	D Snowball G L Flockhart J Koch
Company secretary	A J Vernon
Registered number	06690361
Registered office	3 Booths Park Booths Hall Knutsford Cheshire England WA16 8GS
Independent auditor	BDO LLP 3 Hardman Street Manchester M3 3AT

Healthcircle Advertising Limited

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Healthcircle Advertising Limited

Directors' Report For the Year Ended 31 March 2021

The directors' present their report together with the audited financial statements for the year ended 31 March 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The company's principal activity is the provision of marketing services to clients in the healthcare sector.

Results and dividends

The loss for the year, after taxation, amounted to £927,354 (2020 – £224,556 loss).

No dividend was paid in the year (2020 - £1,444,413).

Directors

The directors who served during the year were:

O J Dennis (resigned 16/09/2021)
DT Miller (resigned 16/09/2021)
D Snowball
G L Flockhart (appointed 02/11/2021)
J Koch (appointed 02/11/2021)

Healthcircle Advertising Limited

Directors' Report (continued) For the Year Ended 31 March 2021

Qualifying third party indemnity provisions

The Company has taken out third party indemnity insurance for the benefit of all directors of the Company.

Going Concern

The directors consider that the Company is a going concern and the accounts have been prepared on that basis. This assertion is underpinned by a Company net asset position of £500,882 and net current assets of £486,436.

Current forecasts indicate that the Group, from which the company is funded and supported, expects to be able to operate within these facilities for a period of at least 12 months from the date of these financial statements being signed. The directors are not aware of any circumstances that may adversely affect these facilities and remain confident of future growth.

In determining the appropriate basis of preparation, the directors consider the key liabilities of the Company, and the ability of the Company to meet these when they fall due. Significant liabilities relate to intercompany loans which accrue interest at rates between 6 and 12%. The interest and capital repayments on these loans are paid at the discretion of the Group and would not be redeemed to the detriment of the Company.

The impact of the Covid-19 pandemic has also been a major consideration. The Board have taken in to account the following restrictions that Covid-19 has placed on the Group's day to day operations:

- Social distancing required a review of working practices, with the majority of employees working from home. The provision of necessary equipment, the switch to virtual team meetings, regular communication from senior management and dedicated working from home support groups have mitigated the risk of inefficiencies and help to maintain employee engagement.
- Certain services offered have suffered delays due to the nature of the services (such as in person congresses) with the majority of deliverables being moved to digital channels.
- Clients budgets are changing to other services with account directors focusing on providing services through other high quality engagement channels.
- Once Covid-19 restrictions are lifted, it is expected that clients will focus on accelerating delayed work streams.

If the Company were to fall into financial difficulty, it would not only be aided financially by the wider group, but it would also have access credit facilities via its parent entities. As such, there are no concerns around the ability of the company to meet its obligations in the coming 12 months.

The Board has concluded that it is appropriate to adopt the going concern basis, having undertaken a rigorous assessment of the financial forecasts with specific consideration to the trading position of the Group in the context of the current Covid-19 pandemic.

Healthcircle Advertising Limited

Directors' Report (continued) For the Year Ended 31 March 2021

Disclosure of information to auditor

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

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that ought to have been taken as directors in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

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

Small companies note

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

This report was approved by the board on 17 December 2021 and signed on its behalf.



D Snowball
Director

Healthcircle Advertising Limited

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

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Healthcircle Advertising Limited (the 'Company') for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the 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).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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 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. Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Healthcircle Advertising Limited

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the statement of Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Healthcircle Advertising Limited

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

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.

Extent to which the audit was 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding and accumulated knowledge of the Company and the sector in which it operates we considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements.

These included but were not limited to those that relate to the form and content of the financial statements, such as the accounting policies, United Kingdom Generally Accepted Accounting Practice, the UK Companies Act 2006 and those that relate to the payment of employees. All team members were briefed to ensure they were aware of any relevant regulations including risk of fraud in relation to their work. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries, management bias in accounting estimates and improper revenue recognition associated with year-end cut-off. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures in accordance with the applicable accounting framework, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Testing a sample of revenue recognised either side of the period end to ensure revenue has been recognised in the correct period;
- Identifying and testing journal entries, in particular any material journals, round sums, unusual combinations, and journals posted to revenue;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud; and
- Obtaining an understanding of how the Company is complying with relevant legal and regulatory frameworks by making enquiries to management and those charged with governance. We corroborated our enquiries through our review of minutes of Board meetings and other evidence gathered during the course of the audit; and
- Obtaining an understanding of the processes and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud and how management monitors that process and controls.

Healthcircle Advertising Limited

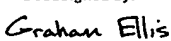
Independent Auditor's Report to the Members of Healthcircle Advertising Limited

Auditor's responsibilities for the audit of the financial statements (continued)

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Graham Ellis (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester
United Kingdom
17 December 2021

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

Healthcircle Advertising Limited

Statement of Comprehensive Income For the Year Ended 31 March 2021

	Note	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Turnover		1,921,155	4,352,887
Cost of sales		(1,680,486)	(3,010,825)
Gross profit		240,669	1,342,062
Administrative expenses		(1,175,813)	(1,425,806)
Operating loss		(935,144)	(83,744)
Finance income		33,533	2,000
Loss before tax		(901,611)	(81,744)
Tax on loss	6	(25,743)	(142,822)
Loss and total comprehensive loss for the financial year		<u>(927,354)</u>	<u>(224,566)</u>

There was no other comprehensive income for 2021 (2020 - £Nil).

The notes on pages 11 to 21 form part of these financial statements.

Loss and total comprehensive loss is attributable to the equity holder of the company.

Healthcircle Advertising Limited

Registered number: 06690361

Statement of Financial Position As at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	7	14,446	29,833
Current assets			
Debtors: amounts falling due within one year	8	1,182,995	1,528,031
Cash at bank and in hand		275,614	523,807
		<u>1,458,609</u>	<u>2,051,838</u>
Creditors: amounts falling due within one year	9	(972,173)	(653,435)
Net current assets		<u>486,436</u>	<u>1,398,403</u>
Net assets		<u><u>500,882</u></u>	<u><u>1,428,236</u></u>
Capital and reserves			
Called up share capital	11	988	988
Share premium account	12	18,504	18,504
Profit and loss account	12	481,390	1,408,744
Total equity		<u><u>500,882</u></u>	<u><u>1,428,236</u></u>

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 December 2021.



D Snowball
Director

The notes on pages 11 to 21 form part of these financial statements.

Healthcircle Advertising Limited

Statement of Changes in Equity For the Year Ended 31 March 2021

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2020	988	18,504	1,408,744	1,428,236
Comprehensive loss for the year				
Loss for the year	-	-	(927,354)	(927,354)
Total comprehensive loss for the year	-	-	(927,354)	(927,354)
At 31 March 2021	988	18,504	481,390	500,882

Statement of Changes in Equity For the Period Ended 31 March 2020

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2019	988	18,504	3,077,723	3,097,215
Comprehensive income for the year				
Loss for the year	-	-	(224,566)	(224,566)
Total comprehensive income for the year	-	-	(224,566)	(224,566)
Contributions by and distributions to owners				
Dividends paid	-	-	(1,444,413)	(1,444,413)
Total transactions with owners	-	-	(1,444,413)	(1,444,413)
At 31 March 2020	988	18,504	1,408,744	1,428,236

The notes on pages 11 to 21 form part of these financial statements.

Healthcircle Advertising Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Going concern

The directors consider the company to be a going concern and the accounts have been prepared on that basis. This assumption is underpinned by a net asset position £501k which illustrates the ability of the company to meet its obligations as and when they become due. Although the Company is loss making if the Company were to fall into financial difficulty, it would not only be aided financially by the wider group, but it would also have access credit facilities via its parent entities. As such, there are no concerns around the ability of the company to meet its obligations in the coming 12 months.

The company, and the wider Group, depend on bank and loan facilities with its parent company to meet its day to day working capital requirements. Current forecasts indicate that the company expects to be able to operate within these facilities for a period of at least 12 months from the date of these financial statements being signed. The directors are not aware of any circumstances that may adversely affect these facilities and remain confident of future growth.

In determining the appropriate basis of preparation, the impact of the Covid-19 pandemic has been the major consideration. Over the past year, the group has responded well to Covid restrictions with most staff working from home with minimal disruption to the day to day operations of the business. The efficiencies developed around remote working will be championed going forward to aid the long-term productivity and flexibility of the group as a whole.

The management of cash flows in response to the ongoing pandemic are as follows:

- Careful monitoring of receivables.
- Close monitoring of cash position and a detailed 12 week forecast updated daily.
- Continual tracking of capital requirements to ensure covenant compliance

The Board has concluded that it is appropriate to adopt the going concern basis, having undertaken a rigorous assessment of the financial forecasts with specific consideration to the trading position of the Group in the context of the current Covid-19 pandemic

Healthcircle Advertising Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

2. Accounting policies (continued)

2.3 Turnover

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

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

2.4 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the Statement of Financial Position date.

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

Exchange gains and losses are recognised in the Statement of Comprehensive Income.

2.5 Operating leases

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method

2.7 Pensions

Defined contribution pension plan

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

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

Healthcircle Advertising Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

2. Accounting policies (continued)

2.8 Current and deferred taxation

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

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

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

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

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

2.9 Tangible fixed assets

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

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

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Depreciation is provided on the following basis:

Office equipment	- 33.3% straight line
Computer equipment	- 50% straight line

Healthcircle Advertising Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

2. Accounting policies (continued)

2.10 Impairment of fixed assets

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

2.11 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.

2.12 Cash and cash equivalents

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

2.13 Creditors

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

2.14 Financial instruments

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

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

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

2.15 Equity instruments

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

Healthcircle Advertising Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.17 Finance income and expenditure

Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.

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

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

- Determine whether there are indicators of impairment of the company's trade and other debtors and amounts due from group undertakings. When assessing impairment of trade and other debtors, management considers factors such as the ageing profile and historical experience. When assessing impairment of amounts due from group undertakings factors taken into consideration include the financial position and expected future financial performance of those entities.

4. Employees

The average monthly number of employees, including directors, during the year was 21 (2020 - 28).

5. Auditor's Remuneration

Fees payable to BDO LLP for the audit of the Company's annual financial statements were £15k and have been borne by other group companies and have not been recharged. There were no non audit fees in the period.

Healthcircle Advertising Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

6. Taxation

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Corporation tax		
Current tax	-	-
Adjustments in respect of previous periods	(4)	143,989
Total current tax	(4)	143,989
Deferred tax		
Origination and reversal of timing differences	(1,960)	(7,832)
Adjustments in respect of previous periods	28,904	5,841
Changes in tax rates	(1,197)	824
Total deferred tax	25,747	(1,167)
Taxation on ordinary activities	25,743	142,822

Healthcircle Advertising Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

6. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is different to the standard rate of corporation tax in the UK of 19% (2020 -19%). The differences are explained below:

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Loss on ordinary activities before tax	<u>(901,611)</u>	<u>(81,744)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(171,306)	(15,531)
Effects of:		
Expenses not deductible for tax purposes	69,646	23,138
Group relief surrendered/(claimed)	99,700	(15,439)
Changes in tax rates	(1,197)	824
Adjustments in respect of previous periods - current tax	(4)	143,989
Adjustments in respect of previous periods - deferred tax	28,904	5,841
Total tax charge for the year	<u>25,743</u>	<u>142,822</u>

Factors that may affect future tax charges

On 17 March 2020, the UK Government passed a Budget resolution with statutory provision under the Provisional Collection of Taxes Act 1968, which reversed the previously enacted reduction in the UK Corporation Tax rate to 17% and maintained the rate at 19% from April 2020. Owing to the immaterial difference in the value of deferred tax assets and liabilities between these tax rates as of 31 March 2020, deferred tax assets and liabilities have now been revalued to the 19% tax rate as of 31 March 2021 in the accounts for this period.

The Finance Bill introduced by the UK Government in March 2021 included the provision to increase the main rate of UK corporation tax from 19% to 25% in April 2023. As of the 31 March 2021, this legislation had not progressed beyond initial stages in the UK Parliament and therefore it was not considered to be substantively enacted as of the reporting date. Deferred tax assets and liabilities remain valued at the 19% enacted corporation tax rate as of 31 March 2021

Healthcircle Advertising Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

7. Tangible fixed assets

	Computer equipment £	Office equipment £	Total £
Cost			
At 1 April 2020	181,326	41,771	223,097
Additions	2,550	225	2,775
	<u>183,876</u>	<u>41,996</u>	<u>225,872</u>
At 31 March 2021			
Depreciation			
At 1 April 2020	159,927	33,337	193,264
Charge for the year	14,015	4,147	18,162
	<u>173,942</u>	<u>37,484</u>	<u>211,426</u>
At 31 March 2021			
Net book value			
At 31 March 2021	<u>9,934</u>	<u>4,512</u>	<u>14,446</u>
At 31 March 2020	<u>21,399</u>	<u>8,434</u>	<u>29,833</u>

Healthcircle Advertising Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

8. Debtors: amounts falling due within one year

	2021 £	2020 £
Trade debtors	276,252	402,523
Amounts owed by group undertakings	728,177	741,164
Other debtors	116,160	218,801
Prepayments and accrued income	19,457	126,461
Deferred taxation (see note 10)	13,335	39,082
Other taxation and social security	29,614	-
	<u>1,182,995</u>	<u>1,528,031</u>

The charge applied to bad and doubtful debts in the period was nil.

Amounts owed by group undertakings earn interest at a rate between 6% and 12%. The amounts due are on demand.

9. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	-	22,099
Corporation tax	-	304,230
Accruals and deferred income	456,735	327,106
Other creditors	12,667	-
Amounts owed to group undertakings	502,771	-
	<u>972,173</u>	<u>653,435</u>

Amounts owed to group undertakings incur interest at a rate between 6% and 12%. The amounts due are on demand.

Healthcircle Advertising Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

10. Deferred taxation

	2021 £	2020 £
Asset/(liability) at beginning of year	39,082	(2,670)
(Charged)/credited to profit or loss	(25,747)	41,752
Asset at end of year	<u>13,335</u>	<u>39,082</u>

11. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
988 ordinary shares of £1.00 each	<u>988</u>	<u>988</u>

12. Reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

Healthcircle Advertising Limited

Notes to the Financial Statements For the Year Ended 31 March 2021

14. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £54,633 (2020 - £76,743). Contributions totalling £Nil (2020 - £Nil) were payable to the fund at the reporting date and are included in other creditors.

15. Commitments under operating leases

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

	2021 £	2020 £
Not later than 1 year	308,148	1,014,164
Later than 1 year and not later than 5 years	-	305,517
	<u>308,148</u>	<u>1,319,681</u>

16. Dividends

No dividends were paid in the year (period ended 31 March 2020 - £1,444,413 to the holder of the ordinary shares of £1.00 each in the Capital of the company).

17. Related party transactions

The company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the Group.

18. Ultimate parent undertaking and controlling party

The immediate parent company is Fishawack Creative Limited. The ultimate parent company is Fishawack Health Topco Limited, a company incorporated in England and Wales.

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

Bridgepoint is considered to be the controlling party by virtue of their controlling ownership of Fishawack Health Topco Ltd.