

AMENDED

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
FOR
GENIX HEALTHCARE LTD**



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FOR THE YEAR ENDED 31 MARCH 2020**

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GENIX HEALTHCARE LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2020

DIRECTORS:

M T Mohammed
W M Azam
H Hamid

REGISTERED OFFICE:

Unit 4 Carlton Court
Brown Lane West
Leeds
LS12 6LT

REGISTERED NUMBER:

05515857 (England and Wales)

AUDITORS:

J R Accounts
Chartered Certified Accountants
164-166 High Road
Ilford
Essex
IG1 1LL

BANKERS:

HSBC Bank PLC
1 Bond Court
Leeds
LS1 2JZ

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

The directors present their annual strategic report for the year ended 31 March 2020

REVIEW OF BUSINESS

The principal activity of the company in the year under review was that of the operation of dental practices.

The majority of the company's income is derived from fixed income contracts with local NHS Trusts. The fixed income nature of the contracts provides the company with stability and visibility over its revenue and profit streams. In addition, the company has variable income streams based on treatment provided to patients under private contracts.

The company's turnover for the year amounted to £9,363,114 (2019: £12,707,067). Operating profit for the year was £7,716,369 (2019: £305,696). Profit before tax for the year was £5,880,939 (2019: £147,485).

The Directors note the profit before tax incurred in the year, but also the improvement in the operating performance in the year, which has continued post year end.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

PRINCIPAL RISKS AND UNCERTAINTIES

The directors believe the principal risks and uncertainties faced by the business are; maintaining the highest clinical standards, recruiting and retaining high quality dentists, attracting and retaining the required level of patients and the overall NHS system for providing dental care.

The directors place the utmost importance on maintaining the highest possible standards of clinical care. Clinical policies and procedures are continually monitored to ensure these are best practice and day to day compliance is monitored. All clinics have either completed or are in the process of completing the British Dental Association Good Practice Scheme, and the company has put in place what it believes are policies and procedures to enable it to meet its obligations to the Clinical Quality Commission. Suitable insurance policies are in place at both individual dentist and corporate levels.

The directors place significant emphasis on the recruitment, retention and performance of the company's dentists. Ongoing training is provided and monitored and dentists' contracts aim to motivate and retain practitioners through revenue share.

The NHS contract for dentists in England and Wales, introduced in April 2006, provides benefits in terms of income visibility and dentist retention. However recent years have seen a number of pilot projects for contracts to replace the current system. The extent of modifications to the current contract, the timing of any change, and the impact which they may have on the company is unclear, however the company keeps this under constant review and still benefits from a high proportion of lifetime contracts.

Brexit considerations

The company continues to monitor the potential impact of Brexit under all potential exit scenarios and make plans accordingly. The directors believe the biggest risk relates to the supply of dentists from outside the UK, both EU and non-EU. For a number of years, with the support and under the supervision of Local Area Teams, the company has been training dentists in order to provide an ongoing pipeline of qualified dentists to support its other recruitment activities.

Covid 19 considerations

Since the last year end, the global COVID-19 pandemic has led to significant challenges for the company to meet, particularly with regards to ensuring the health and safety of employees. The company has been able to keep large parts of the business fully operational. Operational practices have been adapted to meet the guidelines on social distancing and minimising contacts. Reduced volumes of work have been noted and appropriate actions have been taken to utilise the various UK Government initiatives to assist the economy. Directors have given particular attention to continued contracts being received in next 12 months and beyond from customers.

There have been no other events since the balance sheet date that materially affect the position of the company. Therefore, there is no concern regarding going concern of the company.

Financial key performance indicators

The main financial key performance indicators used by the directors are earnings before interest, tax, depreciation and amortisation ("EBITDA") and cash generated from operations.

For the year ended 31 March 2020; EBITDA was £6,641,881 (2019: £736,225)

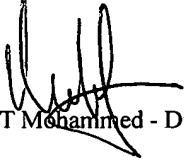
Cash (used in)/generated from operations was £6,669,963 (2019: £1,275,0236)

Other key performance indicators

As aforementioned in the above, other KPI's surround the retention rate of suitably qualified dentists and the UDA delivery rate against contracted UDA's along with maintaining high levels of patient care.

ON BEHALF OF THE BOARD:

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2020**



M T Mohammed - Director

5 April 2021

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2020**

The directors present their report with the financial statements of the company for the year ended 31 March 2020.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the operation of dental practices.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2020.

FUTURE DEVELOPMENTS

Details of future developments can be found in the Strategic Report on page 1 and form part of this report by cross-reference.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2019 to the date of this report.

M T Mohammed
W M Azam
H Hamid

Other changes in directors holding office are as follows:

Professor S M Dunne - resigned 8 April 2019

DISCLOSURE OF INFORMATION TO AUDITORS

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

So far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware.

The director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2020**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

None

Going concern

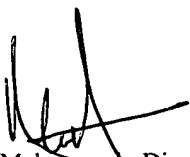
Post year end the company, in conjunction with its professional advisers, has agreed a short term funding facility in line with revised forecasts covering the next 12 months from the date of approval of this report and beyond. The company is currently performing in line with the revised forecasts and is confident this will continue.

The use of the going concern basis of accounting is considered to be appropriate because there are not considered to be any material uncertainties relating to events or conditions that may cast doubt over the ability of the company to continue as a going concern. The company has the continued support of its bankers and management.

AUDITORS

The auditors, J R Accounts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



M T Mohammed - Director

5 April 2021

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GENIX HEALTHCARE LTD

Opinion

We have audited the financial statements of Genix Healthcare Ltd (the 'company') for the year ended 31 March 2020 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement 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 company's affairs as at 31 March 2020 and of its profit 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 Auditors' 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GENIX HEALTHCARE LTD

Matters on which we are required to report by exception

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 Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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 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.

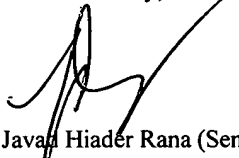
Auditors' responsibilities for the audit of the financial statements

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 a Report of the Auditors 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 Report of the Auditors.

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 a Report of the Auditors 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.



Mr Javan Hiader Rana (Senior Statutory Auditor)
for and on behalf of J R Accounts
Chartered Certified Accountants
164-166 High Road
Ilford
Essex
IG1 1LL

5 April 2021

GENIX HEALTHCARE LTD (REGISTERED NUMBER: 05515857)

**INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020**

| | Notes | 31.3.20 £ | 31.3.19 £ |
|---|-------|--------------|--------------|
| TURNOVER | 3 | 9,363,114 | 12,707,067 |
| Cost of sales | | 4,301,669 | 6,381,041 |
| GROSS PROFIT | | 5,061,445 | 6,326,026 |
| Administrative expenses | | (2,621,875) | 6,070,686 |
| | | 7,683,320 | 255,340 |
| Other operating income | | 33,049 | 50,356 |
| OPERATING PROFIT | 5 | 7,716,369 | 305,696 |
| Amounts written off loans in group undertakings | 6 | 1,388,833 | - |
| | | 6,327,536 | 305,696 |
| Interest payable and similar expenses | 7 | 446,597 | 158,211 |
| PROFIT BEFORE TAXATION | | 5,880,939 | 147,485 |
| Tax on profit | 8 | - | - |
| PROFIT FOR THE FINANCIAL YEAR | | 5,880,939 | 147,485 |

The notes form part of these financial statements

GENIX HEALTHCARE LTD (REGISTERED NUMBER: 05515857)

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

| | Notes | 31.3.20 £ | 31.3.19 £ |
|--|-------|------------------|----------------|
| PROFIT FOR THE YEAR | | 5,880,939 | 147,485 |
| OTHER COMPREHENSIVE INCOME | | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <u>5,880,939</u> | <u>147,485</u> |

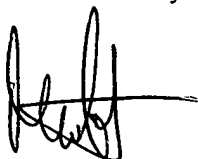
The notes form part of these financial statements

GENIX HEALTHCARE LTD (REGISTERED NUMBER: 05515857)

**BALANCE SHEET
31 MARCH 2020**

| | Notes | 31.3.20 £ | £ | 31.3.19 £ | £ |
|--|-------|------------------|----------------|------------------|--------------------|
| FIXED ASSETS | | | | | |
| Intangible assets | 9 | | 34,001 | | 1,003,247 |
| Tangible assets | 10 | | 629,963 | | 1,296,017 |
| | | | <u>663,964</u> | | <u>2,299,264</u> |
| CURRENT ASSETS | | | | | |
| Stocks | 11 | 138,663 | | 173,663 | |
| Debtors | 12 | 6,049,545 | | 1,991,941 | |
| Cash at bank and in hand | | 16,089 | | 12,041 | |
| | | <u>6,204,297</u> | | <u>2,177,645</u> | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 13 | 5,762,771 | | 9,236,362 | |
| NET CURRENT ASSETS/(LIABILITIES) | | | <u>441,526</u> | | <u>(7,058,717)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 1,105,490 | | (4,759,453) |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 14 | | 173,139 | | 189,135 |
| NET ASSETS/(LIABILITIES) | | | <u>932,351</u> | | <u>(4,948,588)</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 17 | | 100,000 | | 100,000 |
| Retained earnings | 18 | | 832,351 | | (5,048,588) |
| SHAREHOLDERS' FUNDS | | | <u>932,351</u> | | <u>(4,948,588)</u> |

The financial statements were approved by the Board of Directors and authorised for issue on 5 April 2021 and were signed on its behalf by:



M T Mohammed - Director

The notes form part of these financial statements

GENIX HEALTHCARE LTD (REGISTERED NUMBER: 05515857)

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

| | Called up share capital £ | Retained earnings £ | Total equity £ |
|---------------------------------|------------------------------------|---------------------------|----------------------|
| Balance at 1 April 2018 | 100,000 | (5,196,073) | (5,096,073) |
| Changes in equity | | | |
| Total comprehensive income | - | 147,485 | 147,485 |
| Balance at 31 March 2019 | 100,000 | (5,048,588) | (4,948,588) |
| Changes in equity | | | |
| Total comprehensive income | - | 5,880,939 | 5,880,939 |
| Balance at 31 March 2020 | 100,000 | 832,351 | 932,351 |

The notes form part of these financial statements

GENIX HEALTHCARE LTD (REGISTERED NUMBER: 05515857)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020**

| | Notes | 31.3.20 £ | 31.3.19 £ |
|---|-------|----------------------|---------------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 21 | (6,669,963) | (1,275,023) |
| Net cash from operating activities | | <u>(6,669,963)</u> | <u>(1,275,023)</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (65,585) | (367,349) |
| Sale of intangible fixed assets | | 5,198,495 | - |
| Sale of tangible fixed assets | | 1,430,577 | 102,603 |
| Net cash from investing activities | | <u>6,563,487</u> | <u>(264,746)</u> |
| Cash flows from financing activities | | | |
| Loan repayments in year | | 1,946,856 | 965,970 |
| Net cash from financing activities | | <u>1,946,856</u> | <u>965,970</u> |
| Increase/(decrease) in cash and cash equivalents | | <u>1,840,380</u> | <u>(573,799)</u> |
| Cash and cash equivalents at beginning of year | 22 | (1,828,817) | (1,255,018) |
| Cash and cash equivalents at end of year | 22 | <u><u>11,563</u></u> | <u><u>(1,828,817)</u></u> |

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. STATUTORY INFORMATION

Genix Healthcare Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

2. ACCOUNTING POLICIES - continued

**Critical accounting judgements and key sources of estimation uncertainty
Critical judgments in applying the Company's accounting policies**

The critical judgments that the directors have made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

(i) Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability and where applicable, the ability of the asset to be operated as planned. There have been no indicators of impairments identified during the current financial year.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a heightened risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Estimating value in use

Where an indication of impairment exists, the directors have carried out an impairment review to determine the recoverable amount of the asset, which is the higher of fair value less cost to sell and value in use. The value in use calculation has required the directors to estimate the future cash flows expected to arise from the asset or the cash generating unit and determine a suitable discount rate in order to calculate present value.

(ii) Determining residual values and useful economic lives of tangible and intangible assets

The Company depreciates tangible assets, and amortises intangible assets, over their estimated useful lives. The estimation of the useful lives of tangible assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied. The estimation of useful lives of intangible assets is based on any contractual or legal rights associated with the asset, or the period in which the Company expects to use the asset if shorter. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgment is also applied, when determining the residual values for fixed assets. When determining the residual value, the directors have assessed the amount that the Company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful life. Where possible this is done with reference to external market prices.

(ii) Dentist provision/ accruals

Management calculate provisions for payment due to dentist based on units of dental activity performed less those paid for the period. This requires the directors to apply estimation and judgment in assessing the value of the liability at the year end.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

2. ACCOUNTING POLICIES - continued

Intangible assets

Goodwill, being the amount paid in connection with the acquisition of a business, is being amortised evenly over its estimated useful life of 20 years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|-----------------------|-------------------------------------|
| Leasehold improvement | - In accordance with the lease term |
| Plant and machinery | - 25% on reducing balance |
| Fixtures and fittings | - 25% on reducing balance |
| Motor vehicles | - 25% on reducing balance |
| Computer equipment | - 25% on reducing balance |

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads. Work-in-progress is reflected in the accounts on a contract by contract basis by recording turnover and related costs as contract activity progresses.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

GENIX HEALTHCARE LTD (REGISTERED NUMBER: 05515857)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

4. EMPLOYEES AND DIRECTORS

| | 31.3.20 | 31.3.19 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 2,152,185 | 2,629,356 |
| Social security costs | 135,110 | 168,234 |
| Other pension costs | 4,066 | 7,711 |
| | <u>2,291,361</u> | <u>2,805,301</u> |

The average number of employees during the year was as follows:

| | 31.3.20 | 31.3.19 |
|---------------------------|------------|------------|
| Office and administration | 24 | 28 |
| Dental practices | 164 | 185 |
| | <u>188</u> | <u>213</u> |

| | 31.3.20 | 31.3.19 |
|-------------------------|---------------|---------------|
| | £ | £ |
| Directors' remuneration | <u>52,522</u> | <u>54,112</u> |

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

| | 31.3.20 | 31.3.19 |
|------------------------------------|--------------|--------------|
| | £ | £ |
| Depreciation - owned assets | 309,845 | 319,897 |
| Profit on disposal of fixed assets | (8,125,525) | (568,422) |
| Goodwill amortisation | 4,500 | 110,632 |
| Auditors' remuneration | <u>8,500</u> | <u>8,500</u> |

6. EXCEPTIONAL ITEMS

| | 31.3.20 | 31.3.19 |
|---|--------------------|----------|
| | £ | £ |
| Amounts written off loans in group undertakings | <u>(1,388,833)</u> | <u>-</u> |

7. INTEREST PAYABLE AND SIMILAR EXPENSES

| | 31.3.20 | 31.3.19 |
|-------------------------|----------------|----------------|
| | £ | £ |
| Bank overdraft interest | 138,724 | 87,805 |
| Bank loan interest | 307,873 | 70,406 |
| | <u>446,597</u> | <u>158,211</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

8. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 March 2020 nor for the year ended 31 March 2019.

9. INTANGIBLE FIXED ASSETS

| | Goodwill £ |
|-----------------------|---------------|
| COST | |
| At 1 April 2019 | 2,212,630 |
| Disposals | (2,122,627) |
| At 31 March 2020 | 90,003 |
| AMORTISATION | |
| At 1 April 2019 | 1,209,383 |
| Amortisation for year | 4,500 |
| Charge written back | (1,157,881) |
| At 31 March 2020 | 56,002 |
| NET BOOK VALUE | |
| At 31 March 2020 | 34,001 |
| At 31 March 2019 | 1,003,247 |

10. TANGIBLE FIXED ASSETS

| | Leasehold improvement £ | Plant and machinery £ | Fixtures and fittings £ |
|-----------------------|-------------------------------|-----------------------------|----------------------------------|
| COST | | | |
| At 1 April 2019 | 553,329 | 3,509,086 | 1,188,113 |
| Additions | - | 61,367 | 665 |
| Disposals | (180,044) | (880,668) | (269,235) |
| At 31 March 2020 | 373,285 | 2,689,785 | 919,543 |
| DEPRECIATION | | | |
| At 1 April 2019 | 427,600 | 2,820,674 | 891,192 |
| Charge for year | 21,768 | 170,607 | 72,191 |
| Charge written back | (92,377) | (631,372) | (211,452) |
| At 31 March 2020 | 356,991 | 2,359,909 | 751,931 |
| NET BOOK VALUE | | | |
| At 31 March 2020 | 16,294 | 329,876 | 167,612 |
| At 31 March 2019 | 125,729 | 688,412 | 296,921 |

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

10. TANGIBLE FIXED ASSETS - continued

| | Motor vehicles £ | Computer equipment £ | Totals £ |
|-----------------------|------------------------|----------------------------|-------------|
| COST | | | |
| At 1 April 2019 | 4,447 | 739,946 | 5,994,921 |
| Additions | - | 3,553 | 65,585 |
| Disposals | - | (100,630) | (1,430,577) |
| At 31 March 2020 | 4,447 | 642,869 | 4,629,929 |
| DEPRECIATION | | | |
| At 1 April 2019 | 2,560 | 556,878 | 4,698,904 |
| Charge for year | 472 | 44,807 | 309,845 |
| Charge written back | - | (73,582) | (1,008,783) |
| At 31 March 2020 | 3,032 | 528,103 | 3,999,966 |
| NET BOOK VALUE | | | |
| At 31 March 2020 | 1,415 | 114,766 | 629,963 |
| At 31 March 2019 | 1,887 | 183,068 | 1,296,017 |

11. STOCKS

| | | |
|----------------|---------|---------|
| | 31.3.20 | 31.3.19 |
| | £ | £ |
| Finished goods | 138,663 | 173,663 |

12. DEBTORS

| | | |
|---|-----------|-----------|
| | 31.3.20 | 31.3.19 |
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 380,220 | 758,531 |
| Other debtors | 1,967,651 | 1,061,653 |
| Prepayments | 625,806 | 171,757 |
| | 2,973,677 | 1,991,941 |
| Amounts falling due after more than one year: | | |
| Other debtors | 3,075,868 | - |
| Aggregate amounts | 6,049,545 | 1,991,941 |

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.3.20 | 31.3.19 |
|---|------------------|------------------|
| | £ | £ |
| Bank loans and overdrafts (see note 15) | 4,526 | 2,848,541 |
| Other loans (see note 15) | 2,089,996 | 1,124,987 |
| Hire purchase contracts (see note 16) | 5,742 | 69,544 |
| Trade creditors | 813,326 | 1,064,223 |
| Social security and other taxes | 219,009 | 154,046 |
| Other creditors | 1,236,181 | 780,821 |
| Accruals and deferred income | 1,393,991 | 3,194,200 |
| | <u>5,762,771</u> | <u>9,236,362</u> |

The hire purchase creditor is secured over the assets to which they relate.

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 31.3.20 | 31.3.19 |
|---------------------------------------|----------------|----------------|
| | £ | £ |
| Hire purchase contracts (see note 16) | 61,750 | 61,750 |
| Other creditors | 86,044 | 86,044 |
| Government grants | 25,345 | 41,341 |
| | <u>173,139</u> | <u>189,135</u> |

15. LOANS

An analysis of the maturity of loans is given below:

| | 31.3.20 | 31.3.19 |
|---|------------------|------------------|
| | £ | £ |
| Amounts falling due within one year or on demand: | | |
| Bank overdrafts | 4,526 | 1,840,858 |
| Bank loans | - | 1,007,683 |
| Other loans | 2,089,996 | 1,124,987 |
| | <u>2,094,522</u> | <u>3,973,528</u> |

16. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

| | 31.3.20 | 31.3.19 |
|----------------------------|---------------|----------------|
| | £ | £ |
| Net obligations repayable: | | |
| Within one year | 5,742 | 69,544 |
| Between one and five years | 61,750 | 61,750 |
| | <u>67,492</u> | <u>131,294</u> |

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

17. CALLED UP SHARE CAPITAL

| Allotted, issued and fully paid: | | Nominal value: | 31.3.20 | 31.3.19 |
|----------------------------------|----------|-------------------|----------------|----------------|
| Number: | Class: | | £ | £ |
| 100,000 | Ordinary | 1 | <u>100,000</u> | <u>100,000</u> |

18. RESERVES

| | Retained earnings £ |
|---------------------|---------------------------|
| At 1 April 2019 | (5,048,588) |
| Profit for the year | <u>5,880,939</u> |
| At 31 March 2020 | <u>832,351</u> |

19. RELATED PARTY DISCLOSURES

During the year, Genix Healthcare Limited was a wholly owned subsidiary of Sharif Holdings Limited.

During the year, Genix Healthcare Limited paid rent of £432,889 (2019: £675,900) to A&H Developers Limited, for the use of its properties. Included within other income are management fees of £6,000 (2019: £6,000) received from A&H Developers Limited for the provision of administrative services during the year.

The company also had a loan balance and purchase ledger balance with A&H Developers Limited. The net amount due from A&H Developers Limited is shown below.

During the year, the company paid management fees of £464,664 (2019: £452,251) to ST Enterprises, a partnership under common control. The company had trading and loan balances with ST Enterprises LLP, the net amount due to ST Enterprises LLP is shown below.

The company had a loan account with Ali Holdings Ltd, a company under common control.

During the year the company had a loan account with an interest rate of 8% payable to Mr Mustafa Mohammed, a director. Movements in the year constitute provision/repayment of working capital. The total amount due to the director, inclusive of accrued interest is shown below.

GENIX HEALTHCARE LTD (REGISTERED NUMBER: 05515857)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

Entities with control, joint control or significant influence over the entity

During the year, following amounts owed to Genix Healthcare Limited

| | 31.3.20 | 31.3.19 |
|--------------------------------------|-----------|---------|
| | £ | £ |
| Genix Healthcare Garforth Ltd | 1,043,352 | - |
| Genix Healthcare Huddersfield Ltd | 171,800 | - |
| Genix Healthcare Hull Ltd | 402,847 | - |
| Genix Healthcare Tickhill Ltd | 322,097 | - |
| Genix Healthcare Whitely Bay Ltd | 20,587 | - |
| A&H Developers Limited | 1,190,367 | - |
| ST Enterprises LLP | 593,018 | 620,374 |
| A-List Dentistry Ltd | 40,322 | - |
| Sparkle Dentals Labs Ltd | - | 261,395 |
| Ali Holdings Ltd | - | 11,336 |
| Genix Healthcare Market Weighton Ltd | 431,621 | |
| Genix Healthcare Middlesbrough Ltd | 328,397 | |
| Genix Healthcare Eastpark Ltd | 187,182 | |

During the year, following amounts owed by Genix Healthcare Limited

| | 31.3.20 | 31.2.19 |
|------------------------------------|---------|---------|
| | £ | £ |
| Primecare Oral Health Services Ltd | 287,111 | - |
| Genix Healthcare Skelton Ltd | 126,842 | - |
| Genix Healthcare Alnwick Ltd | 2,635 | |
| Mr Mustafa Mohammed | 360,047 | 537,326 |
| A&H Developers Limited | - | 82,445 |

20. ULTIMATE CONTROLLING PARTY

The immediate and ultimate parent company is Sharif Holdings Limited , a company resident in England and Wales. In the opinion of the director the ultimate controlling party is Mr Mustafa Mohammed by virtue of his shareholding in Sharif Holdings Limited.

21. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

| | 31.3.20 | 31.3.19 |
|---------------------------------------|---------------------------|---------------------------|
| | £ | £ |
| Profit before taxation | 5,880,939 | 147,485 |
| Depreciation charges | 314,345 | 430,529 |
| Profit on disposal of fixed assets | (8,125,525) | (568,422) |
| Government grants | (15,996) | (15,996) |
| Finance costs | 446,597 | 158,211 |
| | <u>(1,499,640)</u> | <u>151,807</u> |
| Decrease in stocks | 35,000 | 15,109 |
| Increase in trade and other debtors | (3,658,544) | (659,150) |
| Decrease in trade and other creditors | <u>(1,546,779)</u> | <u>(782,789)</u> |
| Cash generated from operations | <u><u>(6,669,963)</u></u> | <u><u>(1,275,023)</u></u> |

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

22. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2020

| | 31.3.20 | 1.4.19 |
|---------------------------|---------------|--------------------|
| | £ | £ |
| Cash and cash equivalents | 16,089 | 12,041 |
| Bank overdrafts | (4,526) | (1,840,858) |
| | <u>11,563</u> | <u>(1,828,817)</u> |

Year ended 31 March 2019

| | 31.3.19 | 1.4.18 |
|---------------------------|--------------------|--------------------|
| | £ | £ |
| Cash and cash equivalents | 12,041 | 10,350 |
| Bank overdrafts | (1,840,858) | (1,265,368) |
| | <u>(1,828,817)</u> | <u>(1,255,018)</u> |

23. ANALYSIS OF CHANGES IN NET DEBT

| | At 1.4.19 | Cash flow | At 31.3.20 |
|---------------------------------|--------------------|------------------|--------------------|
| | £ | £ | £ |
| Net cash | | | |
| Cash at bank and in hand | 12,041 | 4,048 | 16,089 |
| Bank overdrafts | (1,840,858) | 1,836,332 | (4,526) |
| | <u>(1,828,817)</u> | <u>1,840,380</u> | <u>11,563</u> |
| Debt | | | |
| Finance leases | (131,294) | 63,802 | (67,492) |
| Debts falling due within 1 year | (2,132,670) | 42,674 | (2,089,996) |
| | <u>(2,263,964)</u> | <u>106,476</u> | <u>(2,157,488)</u> |
| Total | <u>(4,092,781)</u> | <u>1,946,856</u> | <u>(2,145,925)</u> |

24. CONTINGENT LIABILITIES

A multilateral guarantee dated 30 October 2015 has been given by the company, A&H Developers Limited, a subsidiary company of Sharif Holdings Limited, in respect of the bank loan. The total contingent liability at 31 March 2020 was £669,725 (2019 £2,084,987).

25. PENSION COMMITMENT

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 £4,066 (2019: £5,215.99).