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DOCTOR CARE ANYWHERE GROUP LIMITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

PREPARED UNDER INTERNATIONAL ACCOUNTING STANDARD 34

FOR THE SIX MONTHS ENDED 30 JUNE 2020

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DOCTOR CARE ANYWHERE GROUP LIMITED

INDEPENDENT REVIEW REPORT TO DOCTOR CARE ANYWHERE GROUP LIMITED

Introduction

We have reviewed the condensed set of financial statements in the half-yearly financial report of Doctor Care Anywhere Group Limited (the 'company') for the six months ended 30 June 2020 which comprises the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cashflows and related notes.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors.
As disclosed in note 2.1, the next annual financial statements of the group will be prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting' as adopted by the European Union, and the requirements of International Financial Reporting Standard (IFRS) 1, 'First-time Adoption of International Financial Reporting Standards', relevant to interim financial reports.

Our responsibility

Our responsibility is to express a conclusion to the company on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International standard on Review Engagement (UK and Ireland) 2410 'Review of Interim Financial Information performed by the independent auditor of the Entity'. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Material uncertainty related to going concern

We draw attention to note 2.3 to the financial statements, which indicates that the Group has made losses in the current year and at the year end is in a net liability position. The Group in 2020 has continued to grow, both prior to and during the COVID-19 pandemic. The Directors expect that this higher volume of activity will continue as the UK moves out of pandemic measures. Forecasting is inherently challenging in these unprecedented circumstances and the longer term impact on the Group cannot be forecast without uncertainty.
The Group is in the process of raising further funds and at the point of approving these financial statement no further funds are confirmed and therefore the successful raising of further funds in the future cannot be assured. As stated in note 2.3, these events or conditions, along with the other matters as set forth in note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern.

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The impact of uncertainties arising from the UK exiting the European Union on our review

Our review of the condensed set of financial statements in the half-yearly financial report requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of Brexit. Such reviews assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.
Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no review of interim financial information should be expected to predict the unknowable factors or all possible future implications for a company associated with a course of action such as Brexit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2020 is not prepared, in all material respects, in accordance with International Accounting Standard 34 'Interim Financial Reporting' as adopted by the European Union.

Use of our report

This report is made solely to the company, as a body, in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity'. Our review work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review 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 as a body, for our review work, for this report, or for the conclusion we have formed.

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
Date: 24/9/2020

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DOCTOR CARE ANYWHERE GROUP LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2020

	Note	**30 June 2020 Unaudited £**	*30 June 2019 Unaudited £*
Revenue	3	**4,572,031**	*2,693,471*
Cost of sales		**(2,046,611)**	*(555,472)*
Gross profit		**2,525,420**	*2,137,999*
Administrative expenses	5	**(7,326,053)**	*(3,868,138)*
Other operating income	6	**4,964,178**	*11*
Operating loss	7	**163,545**	*(1,730,128)*
Share of loss of joint venture	13	**(157,525)**	-
Finance income		**-**	*45*
Finance costs	8	**(18,540,926)**	*(67,566)*
Loss before taxation		**(18,534,906)**	*(1,797,649)*
Tax credit	9	**60,933**	*18,787*
Loss for the financial period		**(18,473,973)**	*(1,778,862)*
Other comprehensive income		**-**	-
Total comprehensive loss for the year		**(18,473,973)**	*(1,778,862)*
Loss per share		**£**	£
Basic and diluted EPS	10	**(0.94)**	(0.09)

The notes on pages 7 to 18 form part of these interim condensed consolidated financial statements

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DOCTOR CARE ANYWHERE GROUP LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	**30 June 2020**	*31 December 2019*
		Unaudited	*Unaudited*
		£	*£*
Non-current assets			
Property, plant and equipment	11	**262,666**	*250,819*
Intangible assets	12	**3,573,890**	*3,875,556*
Interest in joint venture	13	**2,842,475**	-
Total non-current assets		**6,679,031**	*4,126,375*
Current assets			
Trade and other receivables	14	**2,042,073**	*571,730*
Cash at bank and in hand		**1,558,645**	*591,697*
Total current assets		**3,600,718**	*1,163,427*
Current liabilities			
Trade and other payables:	15	**(33,810,590)**	*(10,349,433)*
Total current liabilities		**(33,810,590)**	*(10,349,433)*
Net liabilities		**(23,530,841)**	*(5,059,631)*
Capital and reserves			
Called up share capital		**19,571**	*19,571*
Share premium account		**14,705,353**	*14,705,353*
Capital redemption reserve		**2,000**	*2,000*
Other reserves		**90,140**	*87,377*
Profit and loss account		**(38,347,905)**	*(19,873,932)*
Total equity		**(23,530,841)**	*(5,059,631)*

The notes on pages 7 to 18 form part of these interim condensed consolidated financial statements.

The interim condensed financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Bayju Thakar
……Director
Bayju Thakar

24/9/2020
……...Date

Jonathan Baines
……Director
Jonathan Baines

24/9/2020
……...Date

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DOCTOR CARE ANYWHERE GROUP LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2020

For the six months ended 30 June 2020

	Called up share capital	Share premium account	Capital redemption reserve	Other reserves	Accumulated Losses	Total equity
	Unaudited £	Unaudited £	Unaudited £	Unaudited £	Unaudited £	Unaudited £
At 1 January 2020	**19,571**	**14,705,353**	**2,000**	**87,377**	**(19,873,932)**	**(5,059,631)**
Comprehensive loss for the year	-	-	-	-	**(18,473,973)**	**(18,473,973)**
Total comprehensive loss for the year	-	-	-	-	**(18,473,973)**	**(18,473,973)**
Share based payments	-	-	-	**2,763**	-	**2,763**
At 30 June 2020	**19,571**	**14,705,353**	**2,000**	**90,140**	**(38,347,905)**	**(23,530,841)**

For the six months ended 30 June 2019

	Called up share capital	Share premium account	Capital redemption reserve	Other reserves	Accumulated Losses	Total equity
	Unaudited £	Unaudited £	Unaudited £	Unaudited £	Unaudited £	Unaudited £
At 1 January 2019	19,471	14,555,452	2,000	32,651	(14,198,533)	411,041
Comprehensive loss for the year	-	-	-	-	(1,778,862)	(1,778,862)
Total comprehensive loss for the year					(1,778,862)	(1,778,862)
Share based payments	-	-	-	5,087	-	5,087
At 30 June 2019	19,471	14,555,452	2,000	37,738	(15,977,395)	(1,362,734)

The notes on pages 7 to 18 form part of these interim condensed consolidated financial statements.

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DOCTOR CARE ANYWHERE GROUP LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2020

	Note	**30 June 2020 Unaudited £**	*30 June 2019 Unaudited £*
Cash flows from operating activities			
Loss for the financial period		**(18,473,973)**	*(1,778,862)*
Adjustments for:			
Amortisation of intangible assets		**340,149**	*290,496*
Depreciation of tangible assets		**144,599**	*171,526*
Loss on disposal of tangible assets		**-**	*2,996*
Profit of partial disposal of subsidiary	6	**(4,964,178)**	*-*
Share of losses in joint venture	13	**157,525**	*-*
Exchange loss		**2,437**	*1,579*
Finance costs	8	**18,540,926**	*67,566*
Finance income		**-**	*(45)*
Taxation credit	9	**(60,933)**	*(18,787)*
Increase in trade and other receivables		**(1,466,104)**	*(595,949)*
Increase in trade and other payables		**2,081,042**	*663,421*
Increase in provisions		**-**	*15,000*
Corporation tax received		**78,153**	*-*
Share based payment expense		**2,763**	*5,087*
Net cash generated from operating activities		**(3,617,594)**	*(1,175,972)*
Cash flows from investing activities			
Purchase of intangible fixed assets		**(1,095,807)**	*(698,293)*
Purchase of tangible fixed assets		**(156,447)**	*(32,889)*
Partial disposal of subsidiary	6	**2,992,037**	*-*
Interest received		**-**	*45*
Net cash from/(used in) investing activities		**1,739,783**	*(731,137)*
Cash flows from financing activities			
Lease payments		**(155,240)**	*(94,270)*
Other new loans	16	**2,999,999**	*988,971*
Net cash generated from financing activities		**2,844,759**	*894,701*
Net increase/(decrease) in cash and cash equivalents		**966,948**	*(1,012,408)*
Cash and cash equivalents at beginning of the financial period		**591,697**	*1,710,468*
Cash and cash equivalents at the end of the financial period		**1,558,645**	*698,060*
Cash and cash equivalents at the end of the financial period comprise:			
Cash at bank and in hand		**1,558,645**	*698,060*

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

1. Corporate information

Doctor Care Anywhere Group Limited ('the Company') and its subsidiary undertakings (together referred to as the 'Group') are engaged in digital healthcare service and development. Doctor Care Anywhere Group Limited changed its name from DCA Group Limited on 19 June 2020.

Doctor Care Anywhere Group Limited is a private company limited by shares and registered in England and Wales, registered number 08915336. Its registered office is located at 13-15 Bouverie Street, 2nd Floor, London, England, EC4Y 8DP.

2. Significant accounting policies

2.1 Basis of preparation

The unaudited interim condensed consolidated financial statements covers Doctor Care Anywhere Group Limited and the entities it controlled at the end of, or during, the half year ended 30 June 2020 (referred to as the 'Group'), and have been prepared in accordance with IAS 34, Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's first set of annual consolidated financial statements prepared under International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and adopted by the European Union as at 30 June 2020.

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Historical Financial Information, except for the adoption of new standards effective as of 1 January 2020, which have had no impact on these interim condensed consolidated financial statements. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The last set of financial statements were reported under FRS 102, as discussed in the Historical Financial Information, Consolidated Financial Statements for the years ended 31 December 2018 and 31 December 2019, note 2.3, First time adoption of IFRS.

2.3 Going concern

Notwithstanding that the Group has made losses in the current year and at the year-end is in a net liability position, these consolidated financial statements have been prepared on the going concern basis, which assumes that the Group will continue to be able to meet its liabilities as they fall due for the foreseeable future, which is defined as being for a period of not less than twelve months from the signing of these consolidated financial statements. The Directors have

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prepared monthly cash flow forecasts through to December 2022 to ensure the going concern criteria are met. Provided the Group achieves its forecast and obtains further finance to support its business strategy the Group will be able to meet its liabilities as they fall due.

The Group in 2020 has continued to grow, both prior to and during the COVID-19 pandemic. As a provider of integrated virtual and in-person healthcare services, the pandemic has resulted in increased demand for its services and an associated increase in revenue-generating volumes, the Group has not seen a negative impact on its core operations or performance. These higher volumes of activity have continued as the UK moves out of pandemic measurers and the Directors expect that this will continue. Forecasting is inherently challenging in these unprecedented circumstances; given the uncertainty over the path of the pandemic and the pace at which life returns to normal, the longer-term impact on the Group cannot be forecast without uncertainty.

The Group successfully raised funds during 2018, 2019 and 2020 and is in the process of raising further funds, which it intends to do through the issue of Ordinary Shares and CHESS Depository Interests (CDIs), representing those Ordinary Shares pursuant to an Initial Public Offer and admission to the official list of the Australian Securities Exchange. The Directors expect the process to conclude in Q4 2020 and result in the raising of in excess of £25m. Such funds would provide the cash resources needed to implement the strategy and to achieve growth and profitability in the medium term. Nonetheless, at the point of approving these consolidated financial statements no further funds are confirmed and therefore the successful raising of further funds in the future cannot be assured.

The Directors have concluded that these circumstances represent a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Nevertheless, after making enquiries and considering the uncertainties above, the Directors have a reasonable expectation the Group will have adequate resources to continue operating for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing these consolidated financial statements.

3. Revenue

	Period ended 30 June 2020	*Period ended 30 June 2019*
	£	*£*
Utilisation	**3,114,777**	*801,717*
Subscription	**805,975**	*495,210*
Other	**651,279**	*1,396,544*
Total revenue	**4,572,031**	*2,693,471*

Revenue streams are analysed between Utilisation, Subscription and Other services as follows:

Utilisation revenue

- Individually purchased consultations: revenue is recognised at a point in time, when the one distinct performance obligation, the consultation, is complete. Where revenue arises from unutilised purchased consultations, this is recognised in Other revenue below.

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Subscription revenue

- Monthly or Annual service subscription: there is one distinct performance obligation, being the provision of virtual healthcare services. Revenue from virtual healthcare services is recognised in the accounting period in which the services are rendered. The contracts are satisfied monthly over the contract term. Revenue is recognised over-time, on a systematic basis over the period of the contract, as this represents the best stage of completion.

Other revenue

- Minimum number of purchased consultations: some customers purchase consultations as a bundle for a fixed amount which entitles them to a minimum number of consultations per period. At the end of the period and if the actual number of consultations is less than the minimum number in the bundle, the customer is left with an unexercised right to receive the remaining consultations. To measure revenue, management estimates the amount of consideration based on the most likely amount for both the exercised and unexercised customer rights. Management has assessed, based on past practice, that the amount of revenue should not be constrained once the rights have expired, it is clear that the customer will not use their unexercised rights. Revenue continues to be recognised at a point in time.

- Technology platform licensing: revenue is deferred and recognised evenly over the time, over the period of which the licence is granted.

- Digital design services: revenue is recognised at a point in time, when the performance obligation, the delivery of customised software applications to the customer, is complete.

A **contract asset** is recognised for revenue where the performance obligation (being the provision of utilisation and subscription services) has been completed, but payment remains conditional on acceptance by the customer. Once invoiced, the amount recognised as contract assets is reclassified to trade receivables.

A **contract liability** is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services or for instances where the customer is invoiced in advance. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer). Contract liabilities arise from annual service subscriptions and technology platform licencing.

4. Segmental reporting

The Group provides virtual healthcare services, technology platform licencing and digital design services, within the United Kingdom. While revenue streams can be analysed by the nature of the service provided, the centralised common infrastructure means that operating costs are not and cannot meaningfully be allocated to the separate revenue streams. The chief operating decision-maker of the Group is the Chief Executive Officer, who has Group-wide functional, rather than product-related responsibilities. As a result, resources are allocated and performance is assessed by the chief operating decision-maker on the basis of the business as a whole.

The management information provided to the chief operating-decision maker and the process of how the Group's economic resources and income/expense are currently managed has been reviewed, and management have concluded that the Group operates as a single-segment business. The profit or loss measures reported in the internal reporting to the chief operating decision-maker for monitoring and strategic purposes can be reconciled to the annual IFRS accounts as follows:

	Period ended 30 June 2020	Period ended 30 June 2019
	£	£
Total loss after tax per management accounts	**(18,794,930)**	(1,907,871)
Add back: Amortisation of goodwill	**127,462**	127,462
Add back: IAS 17 operating lease charge	**119,231**	166,750
Less: IFRS 16 right of use asset depreciation	**(109,079)**	(155,253)
Less: IFRS 16 lease interest	**(2,738)**	(9,950)
Total loss after tax per interim IFRS accounts	**(18,660,054)**	*(1,778,862)*

5. Administrative expenses

	Period ended 30 June 2020	Period ended 30 June 2019
	£	£
Operating Costs	**1,224,992**	385,072
Research and Development	**770,314**	588,768
Sales and Marketing	**592,705**	415,333
General and Administration	**4,738,042**	2,478,965
	7,326,053	3,868,138

Operating Costs include the expenses attributable to the delivery of the Group's core services.

Research and Development include the expenses attributable to the development and maintenance of the Group's intellectual property.

Sales and Marketing include the expenses attributable to the selling and marketing of the Group's services.

General and Administration include the expenses attributable to supporting the Group's operating functions and depreciation and amortisation.

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6. Disposals of a group company

In January 2020 Doctor Care Anywhere Group Limited partially disposed of a subsidiary, Doctor at Hand Diagnostics Limited (formerly Internet Hospital Limited), through a sale of 50% of the issued share capital to AXA PPP for total consideration of £3 million. In advance of this partial disposal certain intangible assets created within the group were transferred to Doctor at Hand Diagnostics Limited. The remaining investment of 50% is now accounted for as an investment in joint venture.

The fair value of assets disposed of, and the consideration received, were as follows:

	£
Intangible assets	1,057,324
Debtors and other assets	4,238
Bank balances and cash	7,963
Current liabilities	(938)
Non-current liabilities	(32,765)
Net assets disposed	1,035,822
Recognised as investment in joint venture	(3,000,000)
	(1,964,178)
Profit on disposal	4,964,178
Total consideration	3,000,000
Bank balances and cash	(7,963)
Net cash inflow in period	2,992,037

Total consideration constituted £1 received at the date of disposal in January 2020. Deferred consideration of £2,999,999 was received in March 2020.

Operating income reported in the Interim Condensed Consolidated Statement of Comprehensive Income relating to this transaction consists of:

	£
Profit of partial disposal of subsidiary	4,964,178

7. Operating loss

The operating loss is stated after charging:

	Six months ended 30 June 2020	Six months ended 30 June 2019
	£	*£*
Cost of sales employee costs	**890,811**	*143,319*
Cost of sales contractor costs	**1,154,478**	*407,110*
Administrative expenses employee costs	**4,580,717**	*2,246,761*
Administrative expenses contractor costs	**889,841**	*617,163*
Depreciation	**144,599**	*171,526*
Amortisation of intangible assets	**323,372**	*290,496*
Exchange difference	**2,437**	*1,579*

Employee costs consist of:

	Six months ended 30 June 2020	Six months ended 30 June 2019
	£	*£*
Wages and salaries	**4,845,171**	*2,120,182*
Social security costs	**570,242**	*242,604*
Costs of defined contribution scheme	**53,352**	*22,207*
Share-based payment	**2,763**	*5,087*
	5,471,528	*2,390,080*

8. Finance costs

Finance costs consist of the following:

	30 June 2020	*30 June 2019*
	£	*£*
Fair value remeasurement on convertible loan notes (see note 16 below)	**18,537,628**	*57,616*
IFRS 16 lease liability charge	**2,738**	*9,950*
Other interest	**560**	*-*
	18,540,926	*67,566*

The credit risk component in the fair value remeasurement on convertible loan notes is deemed to be immaterial by the Directors of the Group. Therefore, this component has not been separately disclosed within Other Comprehensive Income.

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9. Income tax

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed consolidated statement of comprehensive income are as follows:

	30 June 2020	*30 June 2019*
Income taxes	**£**	*£*
Current income tax credit	**60,933**	*18,787*

10. Earnings per share

Basic EPS is calculated by dividing the total comprehensive loss for the period attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the period.

Diluted EPS is calculated by dividing the total comprehensive loss for the period attributable to equity holders of the parent (after adjusting for potential inflows/outflows on all dilutive potential shares) by the weighted average number of equity shares outstanding during the period plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

There is no difference in the total comprehensive loss for the period or the weighted average number of equity shares used for the calculation of basic and diluted loss per share, as the effect of all potentially dilutive shares outstanding was anti-dilutive.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	30 June 2020	*30 June 2019*
	£	*£*
Total comprehensive loss for the year	**(18,473,973)**	*(1,778,862)*
Weighted number of equity shares:		
Ordinary shares	**7,131,837**	*7,131,837*
A1 preferred shares	**10,156,577**	*10,156,577*
A2 preferred shares	**2,282,248**	*2,282,248*
Weighted number of equity shares: for calculation of Basic and Diluted EPS	**19,570,662**	*19,570,662*
Loss per share	**£**	*£*
Basic and diluted	**(0.94)**	(0.09**)**

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11. Property, plant and equipment

During the six months ended 30 June 2020, the Group acquired computer equipment and office furniture with a cost of £156,447 (30 June 2019: £32,889).

12. Intangible assets

During the six months ended 30 June 2020, the Group capitalised software development costs of £1,095,807 (30 June 2019: £698,293). Software development costs with a net book value of £1,057,324 were transferred by the Group into Doctor at Hand Diagnostics Limited during the six months ended 30 June 2020, as part of the partial disposal discussed in note 6 above.

Management assess intangible assets for impairment when there is an indicator of impairment or on at least an annual basis. Management has not identified during the period any indicators of impairment for intangible assets. Refer to the Historical Financial Information, Consolidated Financial Statements for the years ended 31 December 2018 and 31 December 2019 note 13, for the latest annual impairment review.

13. Interest in joint venture

As discussed in note 6 above, following the partial disposal of 50% of the Group's investment in Doctor at Hand Diagnostics Limited, the remaining investment of 50% is now accounted for as an investment in joint venture. Movement in the Group's investment in joint venture during the financial period was as follows:

	£
Recognised as investment in joint venture on partial disposal of subsidiary	3,000,000
Share of loss of joint venture	(157,525)
Balance as at 30 June 2020	**2,842,475**

14. Trade and other receivables

The following balances are all due to be realised within one year of the reporting date:

	As at 30 June 2020 £	As at 31 December 2019 £
Assets held at amortised cost		
Trade receivables	**628,345**	122,950
Other receivables	**205,927**	194,762
Corporation tax receivable	**135,824**	153,044
Prepayments	**236,142**	92,608
Contract assets	**835,835**	8,366
	2,042,073	571,730

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15. Trade and other payables

	As at 30 June 2020 £	As at 31 December 2019 £
Liabilities held at amortised cost		£
IFRS 16 lease liability <1 year	**12,538**	165,040
Trade payables	**643,815**	556,099
Other taxation and social security	**1,587,017**	210,471
Other payables	**89,624**	5,216
Accruals	**962,873**	500,180
Contract liabilities	**771,832**	707,163
Designated at Fair Value through Profit or Loss		
Convertible Loan Notes	**29,742,891**	8,205,264
	33,810,590	10,349,433

16. Financial instruments

As at 30 June 2020 the Group has the following financial assets and financial liabilities:

	30 June 2020 £	*31 December 2019 £*
Financial assets		
Current assets		
Held at amortised cost:		
Cash and cash equivalents	**1,558,645**	*591,697*
Other financial assets	**1,070,415**	*410,320*
Total assets held at amortised cost	**2,629,060**	*1,002,017*
Financial liabilities		
Current liabilities		
Held at amortised cost:		
Financial liabilities	**1,708,850**	*1,226,535*
Designated at fair value		
Convertible Loan Notes	**29,742,891**	*8,205,264*
	31,451,741	*9,431,799*

Contract assets and liabilities under the scope of IFRS 15, and tax and social security balances, are not considered financial instruments and are excluded from the table above.

Convertible Loan Notes

The convertible loan notes (CLNs) were classified as non-current liabilities as at 30 June 2019, and current liabilities as at 30 June 2020.

The CLNs were issued during August 2018 and October 2019, secured by the fixed and floating charge created by the Company in favour of the Noteholders. The CLNs were convertible into Series A2 Preferred ordinary shares of the Company on either a change of control, a fundraising event or at the option of the holder from August 2020.

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On issue, the CLNs were convertible at the lower of a fixed price per share or a discount to the next fundraise valuation and if not converted, were redeemable 36 months after issue being August 2021 and October 2022. Interest of 0% was charged annually until settlement date.

For the purpose of determining the fair value of the outstanding CLNs as at 30 June 2020, the key assumptions in the valuation approach were as follows:

- The convertible loan notes would convert at their capped conversion rates. This is because the share price at conversion was considered highly likely to be of a size that the conversion rate is capped;
- The CLN issuance in July 2020 (discussed below), being an arms-length transaction in securities in the company within two weeks of the reporting date, which triggered the conversion of the outstanding CLNs, provides a suitable reference point for valuation purposes.

Movement in total CLNs in issue during the six-month period to 30 June consisted of:

	£
Brought forward 1 January 2020	8,205,264
New notes issued	2,999,999
Fair value finance charge	18,537,628
Total 30 June 2020	29,742,891

As described in note 20 below, in July 2020 the CLNs outstanding as at 30 June 2020 converted into Series A2 Preferred Ordinary Shares, resulting in the allotment of 13,833,903 shares of £0.001 each.

In July 2020 the Company issued AUD 23.2m of CLNs to investors.

Fair value measurement

The CLNs are classified as Level 2 instruments, under IFRS 13 Fair Value Measurement, since their valuation is derived from Level 2 inputs, i.e. inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

The liability at each report date due to the CLNs issued has been valued using the Black Scholes Option Pricing Methodology (BSOPM). The approach uses the BSOPM to allocate the total equity value of the business at each reporting date to the elements of the capital structure, with the CLNs being considered a form of 'quasi equity'. The approach takes into account the liquidation preferences, participation rights and conversion rights of each element of capital to determine how capital proceeds will be distributed between the elements of the capital structure.

The approach requires an estimation of the value of the business at each reporting date. This has been estimated by identifying arm's' length transactions during the period and 'back-solving' the BSOPM process, allowing an individual arm's length capital transaction to provide an estimate of the business value. It has then been assumed that the business value has not altered between that arms' length transaction and the reporting date.

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17. Share options

The Group grants share options to certain members of the Company's employees. The options normally vest and are exercisable over a four-year period, and are dependent upon the individual remaining in employment with the company.

The share-based payment charge included in the profit and loss account for the six months ended 30 June 2020 was £2,763 (30 June 2019: £5,087). Details of the number of share options and the weighted average exercise price outstanding during the period are as follows:

	Weighted average exercise price (£)	**Number**	Weighted average exercise price (£)	Number
	30 June 2020	**30 June 2020**	30 June 2019	30 June 2019
Outstanding at beginning of the period	**0.63**	**467,879**	0.88	279,011
Granted during the period	**-**	**-**	-	-
Exercised during the period	**-**	**-**	-	-
Lapsed during the period	**-**	**-**	0.54	(7,816)
Outstanding at the end of the period	**0.63**	**467,879**	0.89	271,195
Exercisable at the end of the period	**-**	**457,054**	**-**	220,362

The range of exercise prices in respect of options outstanding at 30 June 2020 is £0.30 to £1.51 (30 June 2019: £0.30 to £1.51). The weighted average remaining contractual life of outstanding options at 30 June 2020 is 7.5 years (30 June 2019: 7.7 years).

18. Related parties

The directors consider the directors as key management personnel. Directors remuneration for the six month period to 30 June 2020 was as follows:

	Six month period to	
	30 June 2020	*30 June 2019*
	£	*£*
Directors' emoluments	**111,113**	*186,830*
Company contributions to defined contribution pension schemes	**657**	*1,061*
	111,770	*187,891*

There were no amounts receivable from, or payable to, key management personnel at 30 June 2020 (31 December 2019: £nil).

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During the six months to 30 June 2020 the company paid fees of £58,100 (for the six month period to 30 June 2019: £53,100) to Talbot Baines Limited, a company with a common director. At 30 June 2020 the company owed £16,620 to Talbot Baines Limited (31 December 2019: £10,620).

During the six months to 30 June 2020 the company paid fees of £nil (for the six month period to 30 June 2019: £50,000) to Hartham Group Limited, a company with a common director. At 30 June 2020 the company owed £nil to Hartham Group Limited (31 December 2019: £nil).

All transactions with related parties were conducted under normal market conditions.

19. Commitments and contingencies

In March 2020 the Group signed a lease agreement for the rental of business premises on a five year lease, due to commence September 2020. This will result in the recognition of a right of use lease asset, and corresponding lease liability, of £1.3m at lease commencement date.

20. Events after the reporting period

In July 2020 the CLNs outstanding as at 30 June 2020 converted into Series A2 Preferred Ordinary Shares, resulting in the allotment of 13,833,903 shares of £0.001 each.

In July 2020 the Company issued £12.5m of Australian Dollar denominated (AUD 23.2m) Convertible Loan Notes to investors to fund its ongoing operations.