

Tower Hamlets GP Care Group CIC

Annual Report and Financial Statements

Year Ended

31 March 2021

Company Number 09233816

Tower Hamlets GP Care Group CIC

Company Information

Directors	A Anastasiadis C J Banks S M Brownleader B D O Dougall E J Hall J H Littlejohns S Shah P J Bennett-Richards
Registered number	09233816
Registered office	1st Floor, Beaumont House Mile End Hospital Bancroft Road London E1 4DG
Independent auditor	BDO LLP 31 Chertsey Street Guildford Surrey GU1 4HD

Tower Hamlets GP Care Group CIC

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Tower Hamlets GP Care Group CIC

Strategic Report For the Year Ended 31 March 2021

Introduction

Tower Hamlets GP Care Group (GPCG) is a federation of 34 General Practices in Tower Hamlets caring for about 325,000 people. We provide a range of community and primary care services to the public, various 'at scale services' for the practices, and staff training through our CEPN and Open Doors services. We are a partner in Tower Hamlets Together, an integrated care partnership of public, voluntary sector and health and social care organisations in the Borough that promotes wellbeing, self-help and coordinates health and social care for our community. Our Board consists of elected representatives from across Tower Hamlets, 3 Non Executive Directors and the executive team.

As a provider of healthcare services GPCG has been directly involved in the response to the current global pandemic, as such we have continued to adapt and operate services whilst supporting primary care. We also ensured that all our staff were able to work in a safe environment, filling all requirements for PPE and where possible switched to remote (home) working by investing in ICT infrastructure. Throughout 2020/2021 GPCG undertook a leadership role within Tower Hamlets guiding and providing COVID-19 specific services working closely with partner organisations to implement the national COVID-19 vaccination programme during the later parts of the financial year.

Business Review

At the start of the financial year the UK was in the midst of a national lockdown, with all but essential services closed and the population at large told to stay at home. The local health care system was operating under "Surge" protocols with all elective services halted and resources diverted to emergency care. GPCG was proactive in re-designing our services and moved to remote working well in advance of the national lockdowns. The executive team implemented cascade management which enabled agile decisions to be made whilst maintaining robust governance.

Our three priorities were to keep our patients and staff safe; to continue to deliver services that met patient needs, and to support our GP practices.

GPCG maintained all essential services adapting some to meet local needs:

- Urgent Treatment Centre – remained open throughout the national lockdowns providing patients access to urgent primary care expanded into an integrated care hub for primary care support allowing practices who had limited capacity to book patients in for GP face to face visits and home visits as required
- Health Visiting reduced essential provision maintained for all patients using remote technology
- Safeguarding via remote video consultations
- Primary Care leadership including:
 - (a) Practice support
 - (b) Procurement At Scale
 - (c) Educational support

As GPCG was providing healthcare services no staff were put onto the governments furlough scheme. Staff whose service area provision was suspended were redeployed into other areas to help the COVID-19 response.

During the year GPCG also undertook delivery of new COVID-19 specific services which included:

- Community COVID-19 Testing – PCR tests for care homes, supported accommodation and other health care settings
- Local Track and Trace Service
- Home Monitoring – borough wide service provision to monitor patients at home avoiding face to face contact for those who would otherwise have been admitted into the Royal London Hospital and to support early discharge, thus freeing up beds
- 111 GP support – providing central GP support for local 111 clinical call service
- COVID-19 Vaccination – borough wide delivery of vaccinations for JCVI cohorts 1-12

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Strategic Report (continued) For the Year Ended 31 March 2021

COVID-19 Response

Primary Care Leadership

To ensure primary care remained strong during the pandemic response GPCG took up the system leadership role on behalf of our member practices. As PPE supplies were poor initially, we secured as much PPE as possible from sources across the world for both our staff and member practices. We organised webinars to help practices switch to virtual consultations. In conjunction with this we worked with the local CCG to procure IT solutions for remote working including support and distribution of laptops and webcams.

During the peak of the pandemic we enacted:

Integrated Care Hub

As patients stayed away from NHS services appointments booked in our six extended access hubs declined. We centralised resources into our UTC creating an 'integrated care hub' running on a 24/7 basis that could see COVID-19 positive patients as well as non-COVID patients in a safe environment. We also provided a 24/7 home visiting service for patients at home when necessary to support our practices that were struggling with staff illness.

Community PCR Testing

In early May, following increasing rates of COVID-19 in Care Homes both nationally and locally, the Care Group was approached by London Borough of Tower Hamlets Council (LBTH) to develop a service to carry out COVID-19 testing in the homes.

We formed a nursing team to visit the care homes and the service was rolled out during the following three weeks, with all Care Homes visited by the last week of May. The team continued to visit each Care Home every two weeks, testing both residents and staff. Tests were processed by the Barts Health lab and the result communicated back to the Care Homes via secure email addresses.

At a time when national testing in care homes was not available our service was able to identify and isolate COVID-19 positive members of staff and residents, thereby reducing the level of outbreaks and saving many lives. We are continuing to provide local surge testing as required and work closely with the local authority to deliver this service.

We rolled out antibody testing for all staff in primary care in less than a week to provide surveillance data on the level of COVID-19 in healthcare staff. We then advised on the rollout across North East London.

Home Monitoring Service

The Care Group piloted an innovative COVID-19 Home Monitoring Service in April 2020 to support patients with COVID-19 symptoms. The service aims to help patients recover in their homes and reduce the length of hospital stays, the need for face-to-face visits or admission to hospital. Several other boroughs set up their own service based upon the Care Group's model and we provided details of our arrangements to help them. The service delivers thermometers, blood pressure meters and pulse oximeters to people in their homes with detailed instructions. A video or telephone consultation with a clinician is scheduled for the day after delivery and each day until the patient is better or is admitted to hospital due to deterioration. At the height of the pandemic there was over 200 patients on the home monitoring caseload. Feedback from service users and clinicians has been very positive and an evaluation of the service demonstrated lower admissions to A&E, earlier discharges and increased patient safety and outcomes.

Tower Hamlets GP Care Group CIC

Strategic Report (continued) For the Year Ended 31 March 2021

COVID-19 Response (continued)

Local Track and Trace

In May in partnership with other local organisations including the Local Medical Committee, Poplar Harca, Bromley By Bow and Queen Marys University we reviewed the needs of Tower Hamlets residents and the risks of COVID-19 and concluded that primary care had a key role to play in supporting our local communities. We set out proposals to develop a local test and trace service to improve the identification and management of COVID-19 to reduce the level of transmission.

Tower Hamlets had a lower rate of testing uptake than other areas of London and so we successfully bid to become a pilot and first borough to provide testing in primary care for vulnerable groups that find it difficult to access mainstream testing. This includes the provision of home visits to undertake swabbing by our central team.

We worked with London Borough of Tower Hamlets Public Health team to develop a local tracing service working in co-ordination with the national tracing service. This commenced in October 2020 initially focussing on those which the national team have been unable to reach. It aimed to contact those with a positive to identify any contacts they have which have a risk of infection and to support the patient to access support to help them isolate and recover successfully. The service ran up to the end of June 2021 and was very successful in increasing the number of cases traced.

111 GP Support

April 2020 saw NHS 111 stretched to the maximum as they tried to deal with the surge in demand, and patients were waiting for up to 24 hours for a call back. We were one of the first providers to help the London Ambulance Service and NHS 111 cope with the unprecedented numbers of patients needing assistance. We provided an extension to the 111 service from our Urgent Treatment Centre and provided patients with access to virtual consultations 24/7 7 days a week. The service greatly aided in meeting the increasing demand and reduced the number of patients accessing emergency care via ED. The success of the service meant capacity was increased to take on neighboring boroughs demand. As the service is flexible in nature we were able to scale up capacity during surge times and this remains in place.

Local COVID-19 Vaccination Service (LVS)

Towards the later part of the financial year the UK began roll-out of the first COVID-19 vaccinations. The programme delivery was split between local vaccination sites and mass vaccination sites. Within Tower Hamlets and our neighboring boroughs the mass vaccination sites were set-up by our acute and community NHS provider trusts. GPCG formed a collaborative with all practices within Tower Hamlets to deliver first and second stages of the COVID-19 vaccination programme. This involved delivering vaccinations to Cohorts 1-12 as per the JCVI standard operating procedures. Due to the specialised and new nature of the vaccination programme there were several hurdles to overcome. GPCG worked with partner organisations spanning education, health, and social care to implement a borough wide vaccination site. The site provided access to patients across the borough as well as delivering vaccinations via a roving team to housebound and residence in care/homes other care settings.

At the end of the financial year we had delivered over 90,000 vaccinations with over 80% of cohorts 1-4 receiving their first vaccination. The vaccination centre continued to operate after the end of the financial year and as we move into delivery of phase 3 the borough-wide centre will close and make way for more locality based vaccination centres delivered by Primary Care Networks. GPCG will continue to offer a roving vaccination service for housebound and care home other care setting patients, as well as support each primary care network.

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Strategic Report (continued) For the Year Ended 31 March 2021

Ongoing Service Delivery - Primary care

Extended Access to Primary Care

As part of the COVID-19 response we centralised our resources into an integrated care hub, but as we moved into the latter part of the financial year we looked to re-instate community based extended access hubs to meet growing demand. The future of extended access primary care is changing in light of the new GP contract and GPCG is working closely with its Primary Care Networks to design a system which provides borough wide efficiencies as well as meets local network needs. This re-configuration of services is due to be completed by April 2022.

Network Improved Services (NIS)

During the pandemic the network improvement scheme was placed on hold through the financial year. Resources in relation to this contract were redeployed to directly help primary care's response to COVID-19 and were actively involved in implementing a number of the services mentioned above.

Primary Care Direct Enhanced Services

2020/2021 saw the second year of the nationally commissioned primary care direct enhanced services (DES). The DES offers participating practices new funding to run their networks and to increase the workforce in primary care. Networks are reimbursed for new roles which increase the range of services practices can provide while compensating for gaps in the number of doctors going into general practice. The new roles are specified by NHS England. The Care Group has continued to support our networks and practices to deal with this change of focus by helping with recruitment of new roles and even employing staff of behalf of some of the networks.

We have also organised a learning set for Clinical Directors, a new role created by the DES, and this group meets fortnightly and actively guides primary care strategy in the Borough and was a vital during the pandemic response.

P-Reset Primary Care Drug and Alcohol Service

The COVID-19 pandemic required the service to change how it operated to safely continue offering care to this vulnerable cohort of patients. Much of P-RESET's work is now provided through remote consultations. With the help of locality clinical leads, the service visited 35 practices virtually to communicate the new changes.

Despite the disruption, the service has continued to support 220 patients in shared care for Opiate Substitute Treatment across practices in the borough.

Community Education Provider Network (CEPN)

Our training arm, CEPN (Community Education Provider Network), was designated a 'Training Hub' by East London Health Care Partnership (the regional branch of the NHS). It continued to expand its range of training packages throughout the year and is widely regarded as one of the best Training Hubs in London.

CEPN has worked with our Education Committee, the GP Vocational Training Scheme programme directors, and Health Education England to provide bursaries and organised placements for newly and recently qualified GPs to improve recruitment and retention in the Borough. Consequently, Tower Hamlets has some of the highest doctor to patient ratios in East London.

During the lockdown and since, the CEPN team has worked creatively to support its sister services in the Care Group, general practices and partner organisations in Tower Hamlets, and health systems across London and the country. They have organised numerous webinars on different subjects, but particularly dealing with many COVID-related subjects. This has proved vital to practitioners across the health system and to staff in the Care Group.

CEPN does a lot of work behind the scenes keeping morale up and looking after the health and wellbeing of staff in the Care Group and practices. This has been appreciated by many during the pandemic.

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Strategic Report (continued) For the Year Ended 31 March 2021

Ongoing Service Delivery- Primary Care (continued)

Digital Accelerator

Online consultation and Central Registration

The team have continued to support primary care across the seven boroughs of North East London to modernise their use of IT to deliver more services online. Leading the Digital Accelerator Programme we have increased the use of online consultation tools, including the development of borough-wide e-hubs and enabled Tower Hamlets residents to register with a GP via the internet. Tower Hamlets now has a higher rate of eConsults than any other borough in North East London.

The online consultation platform developed by the team is now used across North East London and is being implemented across North Central and North West London. NHS Digital have expressed their interest at expanding the platform across the UK.

Knowledge Management

A vital part of the pandemic response was ensuring primary care had access to the most up to date information, and the knowledge management platform was developed to provide this function. As information was rapidly changing the team spent most of their time ensuring access to information was easy and promoted to general practices by weekly webinars. The platform continues to grow, and the team is now working with North East London digital team to integrate the existing platform with Microsoft teams as the NHS move towards fully using office 365 as their standard collaboration platform.

Community Based Service Provision

0-19 Service (Health Visiting, FNP and School Health)

From March 2020, national guidance required health visiting services to work from home unless there were compelling client needs. We reviewed how we could continue to deliver all the 0-5 Healthy Child Programme, FNP service and as much of the 5-19 Healthy Child Programme as possible using remote digital resources. Any necessary face-to-face contact was only undertaken with appropriate PPE. We also worked with partners to provide additional support to vulnerable families and as a result won a national Health Service Journal award for our local pandemic service.

We were the only London based 0-19 service to continue offering full services during the pandemic and were commended by our local authority commissioners.

Staff were already introduced to remote working as an additional tool pre-pandemic, however we enhanced our offer by including secure video consultation software (AccurX) to make digital contacts easier, linking to our electronic record system, with training for staff to perfect their digital consultation techniques. Service users have fed back that they generally preferred video to telephone for consultations and our clinicians found the quality of the consultation was better too.

Along with the rest of the organisation, the service used Microsoft Teams for video calls, webinars and the chat/phone functions. This has supported communication during difficult times and whilst not the same as being in a room with others it is the next best thing and attendance at organised meetings has improved.

Community Health Services

The Alliance community services contract completed its fourth year of delivery in April 2021. The alliance partnership working which has been developed in the preceding years was pivotal in the system's response to COVID-19. All system partners refocused their work, adapting services and re-aligning resources to stand up surge capacity as required. At the forefront for GPCG was the Urgent Treatment Centre which remained open 24/7 throughout the financial year.

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Strategic Report (continued) For the Year Ended 31 March 2021

Community Based Service Provision (continued)

Urgent Treatment Centre

The initial stages of the pandemic saw face-to-face patient numbers fall dramatically to circa 30-40 per day. The service however remained open to ensure capacity for primary care was available. Resources were refocused on supporting virtual consultations and capacity provided to 111 for call handling during peak times. As lockdowns progressed activity numbers began to increase dramatically with the service seeing, towards the end of the financial year, an average of 280 patients per day. A stark increase from the previous year's level.

A testament to the hard work of the staff within the service, compliance against the 4-hour standard remained at 99% average across the year.

Out of Hours (OOH)

The service remained operational throughout the pandemic and as with other services adapted its offering to include video consultations as well as remote working where possible. The service continues to receive positive feedback from patients and practices.

Single Point of Access (SPA)

The start of the COVID-19 pandemic saw the service developing homeworking opportunities to reduce the spread of the virus infection and the risk to staff. Most notably, the SPA provided support to local services by extending to support the Integrated Discharge Hub Referrals programme and the Barts Health Phlebotomy. The service also supported changes to the access of End-of-Life Medication (EoL) and directed patients to the correct pharmacies for home monitoring.

Advocacy and Interpreting

The most significant challenge of the year was the COVID-19 pandemic which forced us to switch to remote provision by the end of March 2020.

The installation of the new booking system proved timely as it made communication between advocates, interpreters, partner organisations and management much easier. All services are now provided through either three-way telephone or video links which means that staff can work safely from home.

The new virtual provision of the service required up to date IT equipment and other facilities to support colleagues working from home. The Care Group has provided IT equipment including smart phones, laptops and workstations for every member of staff.

We set up a Steering Group to advise on the new system and to consider other ways we can improve the quality and efficiency of our service. The Steering Group provided a space for advocates to discuss issues and share experiences of providing a telephone and video offering to the borough's ethnic minority communities, and how to remain responsive to their needs, especially for those without access to digital technology. The service is putting together an action plan to mitigate these challenges in collaboration with General Practices and other services we support.

Safeguarding Children Team

The team continued to work closely with all services during the year to ensure safeguarding needs were being met. The service adapted to offering a remote provision and moved to online video consultations. The demand for safeguarding has increased over the financial year and the team expanded to take on some additional resource.

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Strategic Report (continued) For the Year Ended 31 March 2021

Workforce

The COVID-19 pandemic was felt across the workforce. Staff had many questions, and so HR began producing regular Q&A updates to give clarity during what were particularly uncertain times.

For many, the issues were about how to work safely and effectively at home, the impact of childcare and school closures, and access to equipment. For others, concerns about health vulnerabilities, infection risks and how to work safely were paramount.

During this early period of the pandemic HR worked hard to give consistent and considered information, giving clarity where possible.

There was a huge impact on our own staff so we extended our external counselling service to include all staff within primary care in Tower Hamlets, and CEPN established an internal support group.

We supported staff to work at home where possible, providing them with additional IT equipment and office furniture. For those that had to travel to work we obtained parking permits, provided overnight accommodation and face coverings. The safety of staff has been a high priority, so we ensured they always had PPE that complied with national guidelines and introduced social distancing arrangements in all workplaces. We have held frequent staff meetings, encouraged teams to have check-ins and huddles to share information and support each other. Team activities have included online group exercise classes and fun quizzes to keep up morale and provide staff with some social life to compensate for working at home.

We have undertaken personal risk assessments of all staff to support working safely in the current situation. BAME staff have higher risks of complications from COVID-19 and we have provided additional support and flexibility where needed for them and for colleagues who were shielding.

Our recruitment team continued to thrive during this year with a very responsive and individual service provided.

Conclusion

It has been another busy year for the Care Group as with many other sectors the pandemic has dramatically changed how services are being delivered. We embraced the move to remote consultations and pre-emptively moved services to offsite working where possible. We continued to deliver services ensuring we met our contractual duties and worked closely with commissioners where we had to amend service provision.

The impact of the pandemic is far from over and the long terms effects are yet to be seen we however will continue to work with our services, practices and partners to ensure we have a robust health care system in place.

Principal Risks and Uncertainties

COVID-19

The global pandemic has affected all parts of society, bringing in fast moving and unexpected variables. At the start of the pandemic health care providers galvanised to create capacity to treat the escalating number of patients. Services had to adapt quickly and change how patients could access care. This involved a significant restructure of both staff and ICT equipment. There is still a range of improvements required in relation to ICT infrastructure that's needed to continue to aiding patients to access services via remote means.

Protecting staff and patients was paramount which led to a strain on normal supply routes for Personal Protective Equipment (PPE). The government put in place financial measures to help providers deliver care, with the establishment of a central COVID-19 fund, however ongoing funding to meet the change in service delivery and additional costs is uncertain.

Tower Hamlets GP Care Group CIC

Strategic Report (continued) For the Year Ended 31 March 2021

Principal Risks and Uncertainties (continued)

COVID-19 (continued)

How services are delivered has as expected changed due to the pandemic. This change on some level has been driven by government policy and in parts additional costs have been incurred. As we move into the next phase of the pandemic response and life after COVID-19 these changes to service deliver will require recurrent funding to ensure they remain in place.

The impact of COVID-19 on the economy has been detrimental with a sharp reduction in GDP, the forecast for recovery is expected to take over 3 years. During this time, it is likely there will be constraints on public funding across NHS and Local Authority.

The Care Group will look to mitigate the impact of COVID-19 detailed above. Prior to the pandemic we established remote working for our community services and continued to build on this with the rapid roll-out of Microsoft 365. We have worked closely with a Microsoft gold partner to implement a full Microsoft 365 solution and will continue to use this fully. We have engaged with all stakeholders as changes have been made to services and our ability to flex our operating models to fit financial envelopes will enable us to mitigate recurrent costs.

NHS and LBTH financial sustainability

The Care Group's main source of income is from NHS and Local Authority funded contracts and as such is subject to downward pressure on financial resources at the same time as increasing demand from the local population. COVID-19 has added an additional level of complexity to this as detailed above.

During 2019/2020 NHSE&I was working with NHS local bodies to develop the implementation plans for the NHS Long Term Plan. It intended to publish the implementation plan in December 2019 but that was delayed due to the global pandemic.

Financial planning during 2020/2021 remained on hold to provide financial stability to the Health Care system. It is expected that this work will resume, there has been a move towards block-funding, and it is likely that the financial regime post pandemic will look to implement a blended tariff system.

However even with the change to the payment type the Government's proposed additional funding for NHS services shows the budget will grow in real terms by 3.6% which is below the 4.3% rate needed, based on projections by the Office of Budget Responsibility.

In addition to the pressures facing NHS funding, locality authorities have also seen substantial savings targets imposed by central government. The price of COVID-19 response has no doubt pushed local authorities over budget and the additional services put in place to manage demand during the pandemic will need to remain in some form. The combination of these factors is expected to result in requests for providers of public health service contracts to find on-going savings.

We aim to mitigate this risk by working closely with our commissioners to ensure the gap between service funding and service need is managed effectively. We will continue to implement quality and productivity improvement plans in conjunction with partnership working across local provider organisations.

Tower Hamlets GP Care Group CIC

Strategic Report (continued) For the Year Ended 31 March 2021

Principal Risks and Uncertainties (continued)

NHS Commissioning landscape move to Integrated Care Systems

As set out in the latest NHS plan CCGs across England are looking to consolidate into one operating body across each Integrated Care System designated area. For Tower Hamlets, this means the consolidation of the local CCG with the six other CCGs across North East London. In the first instance from 2021/2022 this will result in the establishment of a 'TNW commissioning team' which encompasses Tower Hamlets, Newham, and Waltham Forest. There is still an expectation that local delivery of programmes and services will occur within a borough based integrated care system with both NHS and Public Health services working in partnership.

The recently published government white paper emphasised partnership working across the health care system and reducing/removing formal procurements and tendering of contracts. This will impact how current health contracts are awarded and stresses the importance of strong provider collaboratives. Social care contracts do however still require formal procurement and how this all works in the overall borough system needs to be worked out.

The Care Group is heavily involved in system working across Tower Hamlets, with a key role within Tower Hamlets Together as well as holding the management of the Community Health Alliance Contract. We will continue to work with our provider and commissioner organisations to build the system tools to ensure that the population of Tower Hamlets receives high quality integrated care.

Development of Primary Care Networks

Primary Care Networks (PCN) form a key building block of the NHS long term plan. The idea is to bring general practices together to work at scale with the view to mitigate financial challenges as well as allow primary care to integrate with the wider health care system more easily. This vision of Primary Care Networks however can pose some risk to established GP Federations.

Funding within the GP contract is more focused at providing resource within a PCN footprint. This inevitably means Federations such as GPCG would potentially be competing with local PCNs for services.

However, we feel that there is both the opportunity and need to operate at a Federation level, at scale across the borough as well as having a focus on individual local needs at a PCN level. GPCG working in partnership with all PCNs across Tower Hamlets will enable the system to secure more investment and resources, create efficiencies by reducing duplication, establish robust and tailored services for local needs, improving patient outcomes and overall strengthening the collective voice of general practice. We will continue the close working relationship we have with our established Primary Care Networks which will only aid in delivering robust care to the population we serve.

Workforce Recruitment and Retention

There remain lower numbers than required of trainee GPs and Health Care workers entering the system. We are seeing retention rates across the country falling due to staff burn out and increasing desire to balance a more flexible way of working with highly demanding jobs.

Across the organisation we have strong recruitment and retention rates within all workforce sectors. Working with our workforce development team we are actively establishing retention packages for GPs as well as looking at apprenticeship training programmes for all healthcare staff. This includes seeking ways of offering opportunities to our local population to take forward their career aspirations.

Not surprisingly to support flexible working we have introduced several initiatives to enable staff to work remotely and at home, this includes the standardisation of virtual consultations.

We will continue to develop attractive education and training schemes and work with local and national education providers and commissioners to help increase the domestic supply of health care professionals.

Tower Hamlets GP Care Group CIC

Strategic Report (continued) For the Year Ended 31 March 2021

Principal Risks and Uncertainties (continued)

Health Inequalities

There remains several Health Inequalities for the population served by GPCG. Overall, this is driven by socioeconomic deprivation. The borough has some of the highest level of mental health problems and higher rates of many physical illnesses. Children in the borough are at greater risk of health problems, the current global pandemic has also shown that locally a substantial number of COVID-19 patients in critical care come from minority backgrounds.

The GPCG works closely with the Borough Health and Wellbeing Board and other local partners to develop and increase our reach to the most disadvantage. We will continue not only to engage and involve our patients in service delivery, but we will look to empower and enable them to take control over managing their health conditions.

Clinical Risks

As an organisation which provides health care services to a range of patients many of whom are vulnerable, there is an inherent risk in clinical delivery. We manage this risk through a comprehensive risk management and assurance framework which has been fully embedded across all service line delivery models.

Financial Performance

Financial performance of The Care Group remained strong during 2020/2021 across a range of key measures:

EBITDA Percentage - Earnings Before Interest, Tax, Depreciation and Amortisation

- 2019/2020 – 3%
- 2020/2021 – 3%

Spend per Staff Employed

- 2019/2020 - £61K
- 2020/2021 - £61K

Return on Capital Employed

- 2019/2020 – 42%
- 2020/2021 – 29%

Cash Flow from Operating Activities

- 2019/2020 - £379K
- 2020/2021 – (£231K)

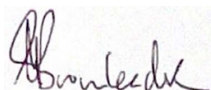
Working capital

- 2019/2020 - £1.80M
- 2020/2021 - £2.71M

Tower Hamlets GP Care Group CIC

Strategic Report (continued) For the Year Ended 31 March 2021

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



S M Brownleader
Director

Tower Hamlets GP Care Group CIC

Directors' Report For the Year Ended 31 March 2021

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

Principal activity

The principal activity of the community interest company ("the Company") is that of the provision of medical services to the members and patients of the federation.

Results and dividends

The profit for the year, after taxation, amounted to £759,553 (2020 - £812,154).

Directors

The directors who served during the year were:

A Anastasiadis
C J Banks
S M Brownleader
B D O Dougall
E J Hall
J H Littlejohns
S Shah (appointed 9 April 2020)
P J Bennett-Richards (appointed 9 April 2020)

Future developments

COVID-19 has dramatically changed how we operate and interact with Health Care services, The Care Group has adapted services to provide access to patients in different formats. As we move into a "new normal" we are actively working to continue developing effective ways of delivering patient care.

The Care Group took a lead role in the response to COVID-19 with input from partner organisations, a plan for primary care delivery was established and key command structures put in place. We aim to continue this work with system partners and look at implementing a new way of primary care service delivery.

During 2021/2022 we will continue to work with primary care networks to deliver the requirements of the Direct Enhance Service Contracts, we have already provided the Clinical Directors with a forum to facilitate discussions and foster development of services.

We are working closely with our commissioning colleagues as they transfer into a new Integrated Care System from 2022/2023 ensuring partnership working is at the forefront of service and commissioning decisions.

We will continue to focus on improving the quality of services we provide and ensure that as contracts come up for renewal we are best placed to meet the service specification within the financial envelope. In addition we will ensure the continued financial viability of the Care Group, and the Board and Executive Team will actively pursue new areas of income generation to help diversify and grow our organisation.

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 director is aware, there is no relevant audit information of which the Company's auditor is 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 auditor is aware of that information.

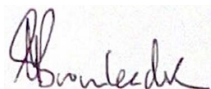
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Directors' Report (continued) For the Year Ended 31 March 2021

Auditor

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

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



S M Brownleader
Director

Tower Hamlets GP Care Group CIC

Directors' Responsibilities Statement For the Year Ended 31 March 2021

The directors are responsible for preparing the Strategic Report, 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; and
- 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.

Tower Hamlets GP Care Group CIC

Independent Auditor's Report to the Members of Tower Hamlets GP Care Group CIC

Opinion

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 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.

We have audited the financial statements of Tower Hamlets GP Care Group CIC ("the Company") for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows 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. 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.

Independence

We remain 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.

Tower Hamlets GP Care Group CIC

Independent Auditor's Report to the Members of Tower Hamlets GP Care Group CIC (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have 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 Strategic Report or 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.

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the 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.

Tower Hamlets GP Care Group CIC

Independent Auditor's Report to the Members of Tower Hamlets GP Care Group CIC (continued)

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:

We obtained an understanding of the legal and regulatory framework that are applicable to the Company. These include, but are not limited to, compliance with Companies Act 2006, UK GAAP and tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determining that the principal risk was related to posted inappropriate journal entries to manipulate financial results.

Audit procedures performed by the audit engagement team included:

- We had discussions with management regarding known or suspected instances of non-compliance with laws and regulations and fraud;
- We sample tested manual journal entries, in particular entries posted with unusual characteristics;
- We investigated the rationale behind significant or unusual transactions

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: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Tower Hamlets GP Care Group CIC

Independent Auditor's Report to the Members of Tower Hamlets GP Care Group CIC (continued)

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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Nick Poulter (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

Guildford

United Kingdom

Date: 21 September 2021

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

Tower Hamlets GP Care Group CIC

Statement of Comprehensive Income For the Year Ended 31 March 2021

	Note	2021 £	2020 £
Turnover	4	34,281,916	29,680,370
Gross profit		34,281,916	29,680,370
Administrative expenses		(33,366,222)	(28,700,986)
Operating profit	5	915,694	979,384
Interest receivable and similar income	9	15,058	30,408
Profit before tax		930,752	1,009,792
Tax on profit	10	(171,199)	(197,638)
Profit for the financial year		759,553	812,154

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

The notes on pages 23 to 34 form part of these financial statements.

All amounts relate to continuing operations.

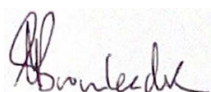
Tower Hamlets GP Care Group CIC

Registered number: 09233816

Balance Sheet As at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	199,045	279,282
Investments	12	36	-
		<u>199,081</u>	<u>279,282</u>
Current assets			
Debtors: amounts falling due within one year	13	7,579,923	4,856,398
Cash at bank and in hand	14	8,969,019	9,339,469
		<u>16,548,942</u>	<u>14,195,867</u>
Creditors: amounts falling due within one year	15	(13,632,686)	(12,115,592)
Net current assets		<u>2,916,256</u>	<u>2,080,275</u>
Total assets less current liabilities		<u>3,115,337</u>	<u>2,359,557</u>
Provisions for liabilities			
Deferred tax	17	(41,778)	(45,551)
Net assets		<u>3,073,559</u>	<u>2,314,006</u>
Capital and reserves			
Called up share capital	18	36	36
Capital redemption reserve	19	1	1
Profit and loss account	19	3,073,522	2,313,969
Total equity		<u>3,073,559</u>	<u>2,314,006</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on **17th September 2021**



S M Brownleader
Director

The notes on pages 23 to 34 form part of these financial statements.

Tower Hamlets GP Care Group CIC

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

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 April 2019	36	1	1,501,815	1,501,852
Comprehensive income for the year				
Profit for the year	-	-	812,154	812,154
Total comprehensive income for the year	-	-	812,154	812,154
At 1 April 2020	36	1	2,313,969	2,314,006
Comprehensive income for the year				
Profit for the year	-	-	759,553	759,553
Total comprehensive income for the year	-	-	759,553	759,553
At 31 March 2021	36	1	3,073,522	3,073,559

The notes on pages 23 to 34 form part of these financial statements.

Tower Hamlets GP Care Group CIC

Statement of Cash Flows For the Year Ended 31 March 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	759,553	812,154
Adjustments for:		
Depreciation of tangible assets	180,389	124,464
Interest received	(15,058)	(30,408)
Taxation charge	171,199	197,638
Increase in debtors	(2,729,951)	(2,580,514)
Increase in creditors	1,585,636	1,967,414
Corporation tax paid	(182,922)	(111,296)
Net cash generated from operating activities	(231,154)	379,452
Cash flows from investing activities		
Purchase of tangible fixed assets	(100,152)	(162,832)
Interest received	15,058	30,408
Net cash from investing activities	(85,094)	(132,424)
Cash flows from financing activities		
Repayment of bank borrowings	(54,202)	-
Net cash used in financing activities	(54,202)	-
Net (decrease)/increase in cash and cash equivalents	(370,450)	247,028
Cash and cash equivalents at beginning of year	9,339,469	9,092,441
Cash and cash equivalents at the end of year	8,969,019	9,339,469
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	8,969,019	9,339,469
	8,969,019	9,339,469

No reconciliation of net funds has been prepared as the Care Group holds only cash and cash equivalents.

The notes on pages 23 to 34 form part of these financial statements.

Tower Hamlets GP Care Group CIC

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

1. General information

Tower Hamlets GP Care Group CIC is a private company limited by shares and 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 activity are set out 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

On the grounds of materiality, the results of the Company's subsidiary, Island Health Primary Care Ltd, are not included in these accounts. Accordingly, these financial statements reflect the performance and position of the Company and not its group.

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 Care Group generated a pre-tax profit of £0.93m in the year to 31 March 2021 (2020 - £1.0m) and had net current assets of £2.92m at 31 March 2021 (2020 - £2.08m) including a positive cash balance of £8.97m (2020 - £9.34m).

The Care Group has no credit facilities or loans open with any institutions, the main outstanding debtors at year end relate to NHS services and are expected to be cleared during the coming financial year.

Considering the current global pandemic and contractual operating conditions, see Strategic Report Principle Risk section, the Care Group is expected to turn a profit (£580K) at the end of 2021/2022 financial year. Free Cash is forecasted to remain healthy with an anticipated closing cash position of £6.6m at 31 March 2022.

Baseline forecast for 2022/2023 considers a reduction of known contracts which are due to cease at the end of 2022 financial year. The projection for 2022/2023 financial year shows a pre-tax profit of £550K and a closing free cash position of £6.3m.

The organisations financial position has been stressed tested. Due to the nature of the contracts delivered by the Care Group, withdrawal of service provision by the commissioners on the whole results in a large proportion of the costs not being incurred as services are re-provided. In the worst-case scenario, it is assumed all service contracts are lost and corporate costs along with sunken fixed costs such as capital assets remain. This scenario would see the organisation post a pre-tax loss of £1.8m at 31 March 2023 and a closing free cash position of £6.8m.

Tower Hamlets GP Care Group CIC

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

2. Accounting policies (continued)

2.2 Going concern (continued)

It is extremely difficult to predict what the full economic impact of COVID-19 will be and the potential impact to available funding for Health Care services. However, based on a worst-case assessment of the potential impact and loss of service contracts the directors believe that the Company will have sufficient funds in place to ensure cash flow requirements are satisfied for at least the next 20 months and thus the Care Group continues to adopt the going concern basis of accounting.

2.3 Revenue

Turnover comprises the values of services supplied by the Company during the year. Turnover is recognised when the Company becomes legally entitled to it when the service has been provided. Over 90% of the revenue recognised relates to long term contracts which have little to no income variability.

Deferred income represents the amount of incoming services received or receivable in the current period which are attributable to future periods. The balance of deferred income is shown within creditors falling due within one year.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as shown below.

Depreciation is provided on the following bases:

Fixtures and fittings	- 3 years
Office equipment	- 3 years

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.

2.5 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.

2.6 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.

Tower Hamlets GP Care Group CIC

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

2. Accounting policies (continued)

2.7 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

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

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

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

2.8 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.

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

Tower Hamlets GP Care Group CIC

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

2. Accounting policies (continued)

2.10 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.12 Current and deferred taxation

The tax expense for the year 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 Balance Sheet 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 Balance Sheet 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 Balance Sheet date.

Tower Hamlets GP Care Group CIC

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

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

In preparing these financial statements, the directors have had to make the following judgement:

- Determine whether there are indicators of impairment of the Company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 11)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors in re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Accruals (see note 15)

Due to the financial significance of the Company's year-end accruals and the inherent level of estimation uncertainty associated with accruals, accruals are deemed to be a key estimate. Accruals are assessed individually and are stated at the expected level of liability that will arise when invoiced.

4. Turnover

The whole of the turnover is attributable to the Company's principal activity.

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	180,389	124,464
Other operating lease rentals	1,002,408	888,424
Defined contribution pension cost	1,279,447	1,104,781
	<u>1,279,447</u>	<u>1,104,781</u>

Tower Hamlets GP Care Group CIC

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

6. Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor for the audit of the Company's annual financial statements	30,000	26,000

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2021 £	2020 £
Wages and salaries	12,627,538	11,141,079
Social security costs	1,290,600	1,123,194
Cost of defined contribution scheme	1,279,447	1,104,781
	15,197,585	13,369,054

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Employees	552	470

8. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	212,309	186,553

The cost of the highest paid director was £132,651 exclusive of Employers National Insurance (2020 - £93,972 exclusive of Employers National Insurance).

9. Interest receivable and similar income

	2021 £	2020 £
Other interest receivable	15,058	30,408

Tower Hamlets GP Care Group CIC

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

10. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	180,616	188,699
Adjustments in respect of previous periods	(5,644)	-
Total current tax	174,972	188,699
Deferred tax		
Origination and reversal of timing differences	(3,773)	8,939
Total deferred tax	(3,773)	8,939
Taxation on profit on ordinary activities	171,199	197,638

Factors affecting tax charge for the year

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 19% (2020 - 19%).

Factors that may affect future tax charges

A change in the main UK corporation tax rate that was announced in the budget on 3 March 2021, was substantively enacted on 24 May 2021 and therefore its effects are not included in these financial statements. From 1 April 2023 the main corporation tax rate will increase from 19% to 25% on profits over £250,000. The rate for small profits under £50,000 will remain at 19%. Where the company's profits fall between £50,000 and £250,000, the lower and upper limits, it will be able to claim an amount of marginal relief providing a gradual increase in the corporation tax rate. This will increase the Company's future tax charges accordingly.

Tower Hamlets GP Care Group CIC

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

11. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
Cost			
At 1 April 2020	83,231	418,446	501,677
Additions	-	100,152	100,152
At 31 March 2021	83,231	518,598	601,829
Depreciation			
At 1 April 2020	47,861	174,534	222,395
Charge for the year	26,976	153,413	180,389
At 31 March 2021	74,837	327,947	402,784
Net book value			
At 31 March 2021	8,394	190,651	199,045
At 31 March 2020	35,370	243,912	279,282

Tower Hamlets GP Care Group CIC

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

12. Fixed asset investments

	Investments in subsidiary companies £
Cost	
Additions	36
At 31 March 2021	<u>36</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Island Health Primary Care Ltd	145 East Ferry Road, London, E14 3BQ	Ordinary	96%

Island Health Primary Care Ltd was incorporated on 8 March 2021. The company has not actively traded in the year ended 31 March 2021 and is therefore not considered material for the purpose of giving a true and fair view of the Group's results.

Therefore, the subsidiary has not been consolidated within these financial statements.

13. Debtors: amounts falling due within one year

	2021 £	2020 £
Trade debtors	6,161,531	3,985,059
Other debtors	7,741	19,632
Prepayments and accrued income	1,410,651	851,707
	<u>7,579,923</u>	<u>4,856,398</u>

Tower Hamlets GP Care Group CIC

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

14. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	<u>8,969,019</u>	<u>9,339,469</u>

Included within cash is £315,450 held on behalf of the partnership Island Health, a related party as detailed in Note 22. The cash is held in a separate account and, although in the name of the Company, there is a signed agreement in place confirming this is held on behalf of Island Health. This is therefore also shown as a liability within amounts owed to related parties.

15. Creditors: amounts falling due within one year

	2021 £	2020 £
Other loans	219,470	77,602
Trade creditors	97,443	420,518
Amounts owed to related parties	315,450	511,521
Corporation tax	180,627	188,578
Taxation and social security	472,277	416,667
Other creditors	470,420	412,456
Accruals and deferred income	11,876,999	10,088,250
	<u>13,632,686</u>	<u>12,115,592</u>

16. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>16,216,709</u>	<u>13,986,580</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(4,263,953)</u>	<u>(3,253,297)</u>

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors, accrued income and cash and cash equivalents.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

Tower Hamlets GP Care Group CIC

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

17. Deferred taxation

	2021 £
At beginning of year	45,551
Charged to the Statement of Comprehensive Income	(3,773)
At end of year	41,778

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	41,778	45,551

18. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
36 ordinary shares of £1 each	36	36

19. Reserves

The Company's reserves are as follows:

Capital redemption reserve

The capital redemption reserve relates to amounts paid for the buyback of the Company's own shares.

Profit and loss account

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

20. Pension commitments

The Company operates a defined contribution 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 £1,279,447 (2020 - £1,104,781). Contributions totalling £192,488 (2020 - £170,387) were payable to the fund at the reporting date and are included in creditors.

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

21. 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	56,958	-
	<u>56,958</u>	<u>-</u>

22. Related party transactions

Key management personnel includes all the directors who together have authority and responsibility for planning, directing and controlling the activities of the Company. The total compensation to key management personnel for services to the Company was £755,294 (2020 - £743,783). Members of key management personnel are remunerated via the payroll and consultancy fees.

As noted in Note 14, the Company holds cash on behalf of the partnership Island Health, which is a related party as one of the partners is a shareholder of the Company.

23. Controlling party

There is no ultimate controlling party.