

# Alliance Medical Holdings Limited

## Annual Report & Financial Statements

For the year ended 30 September 2018

Company number 04113112



Intelligent imaging

## **Alliance Holdings Medical Limited**

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### **DIRECTORS**

H A Marsh  
M D Chapman  
P P Van Der Westhuizen  
S B Viranna

### **INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Donington Court  
Pegasus Business Park  
Castle Donington  
East Midlands  
DE74 2UZ

### **BANKERS**

NatWest Bank plc  
1 Town Hall Building  
Banbury  
Oxon  
OX16 8JS

### **REGISTERED OFFICE**

Iceni Centre  
Warwick Technology Park  
Warwick  
Warwickshire  
CV34 6DA

## **Alliance Medical Holdings Limited**

### **STRATEGIC REPORT**

#### **PRINCIPAL ACTIVITY AND REVIEW OF THE YEAR**

The principal activity of the Company during the year was that of an intermediate holding company.

#### **REVIEW OF THE BUSINESS**

The Company provides strategic management services to fellow Group companies and transfers the costs of these services across the Group.

The key performance indicators of the Company are:

	12 months to 30 September 2018	18 months to 30 September 2017
	£000	£000
Turnover	156	164
EBITDA <sup>1</sup>	(3,953)	(5,730)
Net assets/(liabilities)	(6,050)	3,302

Exceptional costs of £5,672,000 were incurred during the period mainly relating to restructuring costs and costs in respect of acquisitions. The exceptional costs of £16,443,000 during 2017 related mainly to professional fees incurred during the sale of the Alliance Medical Group (see note 5).

#### **RESULTS AND DIVIDENDS**

The loss for the financial year, after taxation, amounted to £9,352,000 (2017: £18,813,000) and was funded from reserves. The Directors do not recommend the payment of a dividend (2017: £nil).

#### **SALE OF THE ALLIANCE MEDICAL GROUP AND CHANGE OF YEAR END**

On 16 November 2016, the sale of the Group to Life UK Healthcare Limited was approved by the Alliance Medical Group board to support growth plans and the sale completed on 21 November 2016. The financial period for all Alliance Medical Group companies was changed from 31 March to 30 September to coincide with the new ultimate parent company's financial year and hence the comparative figures include the results of the 18 month period to 30 September 2017.

#### **DIRECTORS**

During the year N J Burley stepped down as an executive director and became a non-executive director.

<sup>1</sup> EBITDA is earnings before interest, tax, depreciation, amortisation, profit/(loss) on disposal of property, plant and equipment and exceptional items.

## Alliance Medical Holdings Limited

### STRATEGIC REPORT (continued)

#### MANAGEMENT OF PRINCIPAL RISKS AND UNCERTAINTIES

The Company Directors recognise the importance of sound risk management to the success of operations and accordingly set policies to mitigate the risks. The principal risks and uncertainties facing the Company and the potential impact and mitigation are summarised below.

<b>Risk Category</b>	<b>Potential Impact</b>	<b>Mitigation</b>
Liquidity risk	Withdrawal of funding	Liquidity risk is managed at the Group level and includes regular monitoring of, and reporting compliance with, bank covenants both prospectively and retrospectively; Applying cash collection targets throughout the Group; Utilising debt factoring facilities; Regular cash flow forecasting, with action taken if needed to re-time flows.
Counterparty credit risk	A fellow subsidiary undertaking may not satisfy its contractual obligations in meeting its inter-company liabilities	Counterparty credit risk is mitigated by ensuring that loans to fellow subsidiaries contribute to the long term success of the Group.
Economic risk following referendum decision to leave the European Union	Reduced profitability as a result of instability in the Sterling	Hedging via a portion of a parent undertaking's borrowings being denominated in Euros.

Approved by the board on 27 June 2019 and signed on its behalf by:



H Marsh  
Director

## **Alliance Medical Holdings Limited**

### **DIRECTORS' REPORT**

The Directors present their report together with the audited financial statements for year ended 30 September 2018.

#### **FUTURE DEVELOPMENTS**

The Directors continue to seek new territories and technologies to expand the opportunities to enhance shareholder value across the Group.

#### **DIRECTORS AND THEIR INTERESTS**

The Directors of the Company who were in office during the period and up to the date of signing the financial statements were as follows:

N J Burley (Resigned on 1 May 2019)

H A Marsh

I Cattermole (Resigned on 1 September 2018)

M D Chapman (Appointed on 2 May 2019)

P P Van Der Westhuizen (Appointed on 2 May 2019)

S B Viranna (Appointed on 2 May 2019)

No Director is beneficially interested in the share capital of the Company.

#### **SALE OF THE GROUP**

On 16 November 2016, the sale of the Group to Life UK Healthcare Limited was approved by the Alliance Medical Group board to support growth plans and the sale completed on 21 November 2016. The financial period for all Alliance Medical Group companies was changed from 31 March to 30 September to coincide with the new ultimate parent company's financial year and hence the comparative figures include the results of the 18 month period to 30 September 2017.

#### **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

During the period the Company maintained insurance cover for Directors' and Officers' liability as permitted under section 232 (2) of the Companies Act 2006.

#### **EMPLOYEE INVOLVEMENT**

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. Employees are consulted on issues directly affecting them wherever practicable and senior managers and employee representatives from all areas of the business meet to discuss issues. Employee surveys are undertaken, using an independent third party, and the results are shared with employees and are used to drive changes as required.

#### **EQUALITY**

The Company is committed to ensuring that recruitment practices promote equality of opportunity in line with the 2010 Equality Act. The Company treats all applicants fairly regardless of their sex, sexual orientation, marital status, race, colour, nationality, ethnic or nation origin, religion, age, disability and union membership status. The Company ensures that no requirement of condition is imposed without justification, which could disadvantage an individual on any of the above grounds.

**Alliance Medical Holdings Limited****DIRECTORS' REPORT (continued)**

The Company continues to be supportive of the employment of disabled persons. Applications for employment from disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event an existing member of staff becomes disabled, it is the Company's policy to provide continued employment wherever practicable in the same or alternative positions and appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled employees should, as far as possible, be identical to that of other employees.

**POLITICAL DONATIONS**

The Company made £nil (2017: £nil) political donations during the year.

**INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP are deemed to be reappointed as auditors under section 487 (2) of the Companies Act 2006.

**GOING CONCERN**

In determining the appropriate basis of preparation of financial statements, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future.

Alliance Medical Acquisitionco Limited has confirmed in writing that it will continue to support the Company to meet its liabilities as they fall due. Accordingly, the Directors have reviewed the loan facilities available from Group companies together with current trading and cash flow projections as part of their assessment of going concern, and after making enquiries and having carefully considered these matters, the Directors have a reasonable expectation that the Company will be able to meet its liabilities as they fall due and will have adequate resources to continue in operational existence for the foreseeable future. For these reasons, the Directors have adopted the going concern basis of accounting in preparing the financial statements.

**FINANCIAL RISK MANAGEMENT**

The principal risks and uncertainties facing the Company and the potential impact and mitigation are summarised in the Strategic Report.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

**Alliance Medical Holdings Limited****DIRECTORS' REPORT (continued)**

The directors 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.

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.

**DIRECTORS' CONFIRMATIONS**

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board on 27 June 2019 and signed on its behalf by:



H Marsh  
Director

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALLIANCE MEDICAL HOLDINGS LIMITED

### REPORT ON THE FINANCIAL STATEMENTS

#### OPINION

In our opinion, Alliance Medical Holdings Limited's financial statements:

In our opinion, Alliance Medical Holdings Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 September 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report & Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 30 September 2018; the profit and loss account, and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

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

#### CONCLUSIONS RELATING TO GOING CONCERN

ISAs (UK) require us to report to you when:

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

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALLIANCE MEDICAL HOLDINGS LIMITED (continued)****REPORTING ON OTHER INFORMATION**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

***Strategic Report and Directors' Report***

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 year ended 30 September 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

**RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT*****Responsibilities of the directors for the financial statements***

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALLIANCE MEDICAL HOLDINGS LIMITED (continued)

### ***Auditors' responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### ***Use of this report***

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **OTHER REQUIRED REPORTING**

### ***Companies Act 2006 exception reporting***

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



David Teager (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
East Midlands  
27 June 2019

## Alliance Medical Holdings Limited

### PROFIT AND LOSS ACCOUNT

for the year ended 30 September 2018

	Notes	12 months ending 30 September 2018 £000	18 months ended 30 September 2017 £000
<b>TURNOVER</b>	4	156	164
Administrative expenses before amortisation and exceptional items		(4,109)	(5,894)
Amortisation of intangible assets		(49)	-
Exceptional administrative items	5	(5,672)	(16,443)
Total administrative expenses		(9,830)	(22,337)
<b>OPERATING LOSS</b>	6	(9,674)	(22,173)
Interest receivable and similar income	7	322	3,360
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(9,352)	(18,813)
Tax on loss on ordinary activities	8	-	-
<b>LOSS FOR THE FINANCIAL YEAR</b>		(9,352)	(18,813)

The Company's activities all derive from continuing operations.

There is no other comprehensive income or expenses other than those included above and therefore a statement of comprehensive income has not been included in these financial statements.

There is no material difference between the loss on ordinary activities before taxation and the loss for the financial periods stated above and their historical cost equivalents.

**Alliance Medical Holdings Limited**

**BALANCE SHEET**

As at 30 September 2018

Company registered number: 04113112

	Notes	At 30 September 2018 £000	At 30 September 2017 £000
<b>FIXED ASSETS</b>			
Intangible assets	9	146	77
		<u>146</u>	<u>77</u>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	10	33,941	33,122
Cash at bank and in hand		356	382
		<u>34,297</u>	<u>33,504</u>
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year	11	(40,399)	(29,842)
Provisions for liabilities and charges	12	(94)	(250)
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(6,196)</u>	<u>3,412</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(6,050)</u>	<u>3,489</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions for liabilities and charges	12		(187)
<b>NET (LIABILITIES)/ASSETS</b>		<u>(6,050)</u>	<u>3,302</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	37,517	37,517
Share premium account		4,550	4,550
Profit and loss account		(48,117)	(38,765)
<b>TOTAL SHAREHOLDERS' (DEFICIT)/FUNDS</b>		<u>(6,050)</u>	<u>3,302</u>

The notes on pages 13 to 21 form an integral part of these financial statements.

These financial statements on pages 10 to 21 were approved by the Board of Directors on 27 June 2019 and were signed on its behalf by:



H Marsh  
Director

## Alliance Medical Holdings Limited

### STATEMENT OF CHANGES IN EQUITY For the year ended 30 September 2018

	Called up share capital	Share premium account	Profit and loss account	Total Shareholders' (deficit)/funds
	£000	£000	£000	£000
At 1 April 2016	37,517	4,550	(19,952)	22,115
Loss for the period and total comprehensive expense	-	-	(18,813)	(18,813)
At 30 September 2017	37,517	4,550	(38,765)	3,302
Loss for the year and total comprehensive expense	-	-	(9,352)	(9,352)
At 30 September 2018	<b>37,517</b>	<b>4,550</b>	<b>(48,117)</b>	<b>(6,050)</b>

**Alliance Medical Holdings Limited****NOTES TO THE FINANCIAL STATEMENTS****For the year ended 30 September 2018****1. GENERAL INFORMATION**

The Company is a private company limited by shares and is incorporated and domiciled in England. The address of the registered office and principle place of business is shown on page 1. The principle activity of the Company is shown in the Strategic Report on page 2.

**2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the Companies Act 2006.

**3. ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

**Basis of preparation**

These financial statements have been prepared on a going concern basis under the historical cost convention.

**Exemptions**

The Company has taken advantage of the exemption provided in paragraph 1.12(a) of FRS 102 from preparing a Statement of Cash Flows. The cash flows of the Company are incorporated into the Consolidated Statement of Cash Flows prepared in the Group financial statements of the ultimate UK parent undertaking.

The Company has taken advantage of the exemption provided in paragraph 4.12(a) of FRS 102 from preparing a reconciliation of the numbers of shares outstanding at the beginning and end of the period.

The Company has taken advantage of the exemption provided in paragraph 33.7 of FRS 102 from disclosing key management personnel compensation.

The Company has taken advantage of the exemption provided in paragraphs 11.39-11.48A and 12.26-12.29 of FRS 102 from disclosing certain financial instrument disclosures. The financial instrument disclosures are incorporated into the Group financial statements of the ultimate UK parent undertaking.

The Company has taken advantage of the exemption in paragraph 33.1(a) of FRS 102 from disclosing transactions with related parties that are other wholly owned members of the Alliance Medical Group Limited group.

**Revenue recognition**

Turnover, which excludes value added tax, represents the value of services supplied, and is recognised according to the value of services supplied in the period.

**Alliance Medical Holdings Limited****NOTES TO THE FINANCIAL STATEMENTS****For the year ended 30 September 2018****3. ACCOUNTING POLICIES (continued)****Operating leases**

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

**Exceptional items**

The Company classifies certain one-off charges and credits that have a material impact on the Company's financial results as exceptional items. These are disclosed separately to provide further understanding of the financial performance of the company.

**Intangible assets**

Intangible assets are stated at cost, which is the amount paid, less accumulated amortisation and impairment losses. Purchased technology is amortised over their estimated useful life of 3 to 4 years.

Website development costs are capitalised as intangible assets, as the website generates sales directly, delivering benefits at least as great as the amount capitalised. Therefore the website development expenditure makes an enduring contribution to the development of the revenue-generating capabilities of the website, and an enduring asset is thus created. Website development costs are amortised over their useful economic life, which the Directors consider to be three years.

**Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of transaction or at the contracted rate if the transaction is covered by a forward foreign currency contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

**Pensions**

The Company operates defined contribution pension plans, administered by a third party, for Directors and employees. Contributions are charged to the profit and loss account as they become payable.

**Current tax**

Current tax is the amount of income tax payable in respect of the taxable results for the period. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

**Deferred taxation**

The deferred taxation charge takes into account taxation deferred due to timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date, with the expectation that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**Functional and presentation currency**

The Company's functional and presentation currency is the pound sterling.

## Alliance Medical Holdings Limited

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

#### 4. TURNOVER

Turnover represents amounts for the provision of services which fall within the Company's continuing activities, stated net of value added tax. All turnover originates in, and has an ultimate destination of, Europe.

#### 5. EXCEPTIONAL ADMINISTRATIVE ITEMS

	12 months to 30 Sep 2018 £000	18 months to 30 Sep 2017 £000
Costs incurred on the sale of the Alliance Medical Group	319	15,614
Merger and acquisition and strategic review costs	1,820	251
Reorganisation and restructuring costs	3,112	78
Onerous lease	30	500
Other	391	-
	<b>5,672</b>	<b>16,443</b>

During the year additional costs of £319,000 (2017: £15,614,000) were incurred relating to the sale of the Alliance Medical Group, mainly in respect of professional and legal fees.

Merger and acquisition and strategic reviews costs of £1,820,000 (2017: £251,000) were incurred relating to assessing the further internationalisation of the group, identifying new opportunities in existing markets and assessing potential acquisitions. The costs incurred during the year to 30 September 2018 include £1,281,000 in respect of an acquisition which was completed by a fellow subsidiary of Alliance Medical Group Limited during the year.

During the period reorganisation and restructuring costs of £3,112,000 (2017: £78,000) were incurred. During the year a review was undertaken of the future staffing requirements and as a result a number of staff left the business and redundancy payments of £2,981,000 form part of the costs in the year (note 6).

During the prior year, a review of property requirements was undertaken and a lease was identified as onerous. A provision was made to cover the estimated costs to the break clause in the contract during the prior period, and additional costs of £30,000 were incurred during the year.

Other exceptional costs of £391,000 incurred during the year include costs incurred in respect of the refinancing of a parent company and irrecoverable VAT on exceptional costs not allocated to specific cost lines.



## Alliance Medical Holdings Limited

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

#### 6. OPERATING LOSS (continued)

##### (a) This is stated after charging:

		12 months to 30 Sep 2018 £000	18 months to 30 Sep 2017 £000
Auditors' remuneration	- audit services	327	238
	- tax and other services	350	3,533
Operating lease rentals	- land and buildings	-	375

The auditors' remuneration includes £5,000 (2017: £5,000) of costs borne on behalf of Alliance Medical Acquisitionco Limited, a fellow group undertaking.

##### (b) Directors' remuneration

	12 months to 30 Sep 2018 £000	18 months to 30 Sep 2017 £000
Emoluments	1,614	2,605
Company contributions paid to defined contribution pension schemes	24	98
	<u>1,638</u>	<u>2,703</u>

Contributions of £24,000 (2017: £98,000) were made to defined contribution pension schemes on behalf of one (2017: three) Directors during the period. Three (2017: three) Directors of the Company were also, or have also been, Directors of one or more companies in the Group during the period. £220,000 (2017: £275,000) of the above remuneration was borne by a fellow subsidiary undertaking. Emoluments include £502,000 (2017: £nil) in respect of payments for loss of office.

Emoluments include £502,000 (2017: £nil) in respect of payments made for executive directors becoming non-executive.

The amounts in respect of the highest paid director are as follows:

	12 months to 30 Sep 2018 £000	18 months to 30 Sep 2017 £000
Emoluments	1,061	1,902
Company contributions paid to defined contribution pension schemes	-	49
	<u>1,061</u>	<u>1,951</u>

Emoluments include £388,000 (2017: £nil) in respect of payments made for executive directors becoming non-executive.

**Alliance Medical Holdings Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 September 2018**

**6. OPERATING LOSS (continued)**

**(c) Staff costs**

	<b>12 months to 30 Sep 2018 £000</b>	<b>18 months to 30 Sep 2017 £000</b>
Wages and salaries	2,723	3,931
Social security costs	476	361
Other pension costs	40	231
Redundancy payments	2,981	-
	<b>6,220</b>	<b>4,523</b>

The average monthly number of employees (including Directors) during the period was 10 (2017: 13). These were all administration staff.

**7. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>12 months to 30 Sep 2018 £000</b>	<b>18 months to 30 Sep 2017 £000</b>
Net retranslation of foreign currency loans and receivables	<b>322</b>	<b>3,360</b>

## Alliance Medical Holdings Limited

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

#### 8. TAX ON LOSS ON ORDINARY ACTIVITIES

##### (a) Tax on loss on ordinary activities

There is no taxation in the period (2017: £nil).

##### (b) Factors affecting the tax for the period

The tax assessed for the period differs from (2017: differs from) that resulting from applying the standard rate of corporation tax in the UK of 19% (2017: 19.66%). The differences are explained below:

	12 months to 30 Sep 2018 £000	18 months to 30 Sep 2017 £000
Loss on ordinary activities before tax	(9,352)	(18,813)
Loss on ordinary activities at the standard rate of 19% (2017: 19.66%)	(1,777)	(3,699)
Effects of:		
Expenses not deductible for tax purposes	292	3,919
Utilisation of losses not recognised	-	18
Other timing differences not recognised in deferred tax	-	(4)
Group relief surrendered/(claimed) for no consideration	1,485	(234)
<b>Total tax for the year (note 8 (a))</b>	<b>-</b>	<b>-</b>

##### (c) Factors affecting current and future tax charges

The fall in the UK Corporation tax rate to 17% effective from 1 April 2020 was substantially enacted on 6 September 2016. The financial statements have been prepared reflecting this change to UK tax legislation.

##### (d) Factors affecting the tax charge for the period

The Company has an unrecognised deferred tax asset in relation to accelerated capital allowances and other timing differences of £18,000 (2017: £3,000). Deferred tax is not recognised as the future recovery of the asset is uncertain.

**Alliance Medical Holdings Limited**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 September 2018

**9. INTANGIBLE ASSETS**

	Website development £000	Purchased technology £000	Total £000
Period ended 30 September 2017:			
Cost	-	77	77
Accumulated amortisation and impairment	-	-	-
<b>Net book value</b>	-	77	77
Year ended 30 September 2018:			
Opening net book value	-	77	77
Additions	-	118	118
Amortisation	-	(49)	(49)
<b>Closing net book value</b>	-	146	146
Year ended 30 September 2018:			
Cost	-	195	195
Accumulated amortisation and impairment	-	(49)	(49)
<b>Net book value</b>	-	146	146

**10. DEBTORS**

	At 30 Sep 2018 £000	At 30 Sep 2017 £000
Amounts owed by Group undertakings	33,884	33,025
Other debtors	-	1
Prepayments and accrued income	57	96
	<b>33,941</b>	<b>33,122</b>

Amounts owed by Group undertakings are unsecured, interest free, and are repayable on demand.

## Alliance Medical Holdings Limited

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

#### 11. CREDITORS

Amounts falling due within one year	At 30 Sep 2018 £000	At 30 Sep 2017 £000
Amounts owed to Group undertakings	38,308	28,525
Employee payables	11	9
Other taxation and social security	1,532	85
Accruals and deferred income	548	1,223
	<b>40,399</b>	<b>29,842</b>

Amounts owed to Group undertakings, which are all UK-based, are unsecured, are repayable on demand and are interest free.

#### 12. PROVISIONS FOR LIABILITIES

	Redundancy Provision £000	Onerous lease provision £000	Total £000
<b>At 1 April 2016</b>	52	-	52
Charged to the income statement	-	500	500
Utilised in the period	(52)	(63)	(115)
<b>At 1 October 2017</b>	-	437	437
Charged to the income statement	-	-	-
Utilised in the year	-	(343)	(343)
<b>At 30 September 2018</b>	-	94	94

Of the total onerous lease provision, £94,000 is due within one year (2017: £250,000) and £nil (2017: £187,000) is due in more than one year.

#### 13. CAPITAL AND OTHER COMMITMENTS

The Company's total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings At 30 Sep 2018 £000	At 30 Sep 2017 £000
Within one year	94	250
Between two and five years	-	187
	<b>94</b>	<b>437</b>

## Alliance Medical Holdings Limited

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

#### 14. CALLED UP SHARE CAPITAL

	At 30 Sep 2018 No.	At 30 Sep 2018 £000	At 31 Sep 2017 No.	At 31 Sep 2017 £000
Ordinary shares of 1p each				
Authorised	<u>3,751,707,950</u>	<u>37,517</u>	<u>3,751,707,950</u>	<u>37,517</u>
Allotted, called up and fully paid	<u>3,751,707,950</u>	<u>37,517</u>	<u>3,751,707,950</u>	<u>37,517</u>

There are no restrictions on the payment of dividends and the repayment of capital.

#### 15. CROSS PARTY GUARANTEE

The Company, along with certain other Group companies, had committed to guarantee the bank loan facilities granted to Alliance Medical Acquisitionco Limited. The loan was repaid at the point of the sale of the Alliance Medical Group and hence the guarantee fell away.

#### 16. PARENT UNDERTAKINGS

The immediate parent company is Alliance Medical Acquisitionco Limited and the ultimate parent undertaking is Life Healthcare Group Holdings Limited. The smallest group for which group financial statements are drawn up is Alliance Medical Group Limited, registered in England and Wales. The financial statements can be obtained by writing to the Secretary at Icen Centre, Warwick Technology Park, Warwick, CV34 6DA. The largest group for which group financial statements are drawn up is Life Healthcare Group Holdings Limited, registered in South Africa. The financial statements can be obtained by writing to the Secretary at Oxford Manor, 21 Chaplin Road, Illovo, Gauteng, South Africa, 2196.

#### 17. POST EMPLOYMENT BENEFITS

The Company participates in defined contribution pension schemes, the assets of which are held separately from those of the Company and are invested with an insurance company and external fund managers. The total charged to the profit and loss account during the period was £40,000 (2017: £231,000).

#### 18. POST BALANCE SHEET EVENT

On 21 December 2018, Alliance Medical Ltd, another group company, acquired the entire share capital of European Scanning Centre Limited, the principle activity of which is to provide diagnostic medical imaging services, for an initial consideration of £10,702,000.