

Euroclinics (UK) Limited

Directors' Report and Financial Statements for the Year Ended 30 September 2016

TUESDAY



A681740R

A14

06/06/2017

#20

COMPANIES HOUSE

Contents

Company Information	1
Directors' Report	2
Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements	4
Independent Auditor's Report to the members of Euroclinics (UK) Limited	5
Profit and Loss Account and Other Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes	10

Company Information

Directors:	R J Bradford A S L Cummings
Registered Office:	Beechwood Hall Kingsmead Road High Wycombe Buckinghamshire HP11 1JL
Registered Number:	04499876 (England and Wales)
Auditor:	KPMG LLP Altius House One North Fourth Street Milton Keynes MK9 1NE
Banker:	Bank of Scotland 4 th Floor 25 Gresham Street London EC2V 7HN

Directors' Report

The Directors present their report and audited Financial Statements for the Company for the year ended 30 September 2016.

Principal activity

The principal activity of the Company is that of health assessments under the Preventicum brands. Preventicum, from its London Centre of Preventive Medicine, combines radiation free medical technology with highly experienced doctors and '6-star' service to provide in-depth, full-body check-ups to individual and corporate clients. The check-up not only aims to diagnose existing conditions, it also focuses on evaluating key risk factors and developing a preventative strategy specifically tailored to client lifestyle. The centre piece of the check-up is a unique, radiation free MRI scan of key body parts reviewed by specialist radiologists.

Business review

Revenue for the year was £3.2 million (2015: £2.8 million) generating an operating profit of £0.4 million (2015: £0.2 million).

Proposed dividend

The Directors do not recommend the payment of a dividend (2015: £nil).

Directors

The Directors who held office during the year were as follows:

R J Bradford
A S L Cummings

Political donations

The Company made no political donations (2015: £nil).

Employees

Our people are central to our success in both delivering existing business and winning new contracts. Investment in our people and in building the right working environment will continue to be a priority. The Company employs 14 highly skilled and trained professionals with many years of experience working within the health sector. The Board remains grateful for the contributions made by all individuals.

Employee involvement

The Company's policy is to consult with employees on matters likely to affect the employees' interests. Information on matters of concern to employees is given through information bulletins and reports, which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Company's performance.

Employment of disabled people

It is the Company's policy that disabled people are given the same consideration as other applicants for all job vacancies for which they offer themselves as suitable candidates. Similarly, the Group's policy is to continue to employ and train employees who have become disabled, wherever possible.

Every effort has been made to ensure that line managers fully understand that disabled people must have the prospects and promotional opportunities that are available to other employees. The Company makes appropriate modifications to procedures and equipment where it is practical and safe to do so.

Directors' Report (continued)

Employment of disabled people

It is the Company's policy that disabled people are given the same consideration as other applicants for all job vacancies for which they offer themselves as suitable candidates. Similarly, the Group's policy is to continue to employ and train employees who have become disabled, wherever possible.

Every effort has been made to ensure that line managers fully understand that disabled people must have the prospects and promotional opportunities that are available to other employees. The Company makes appropriate modifications to procedures and equipment where it is practical and safe to do so.

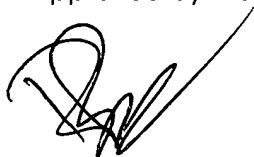
Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Board and signed on its behalf by:



R J Bradford

Director

Date: 22 February 2017

Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements

The Directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires Directors to prepare Financial Statements for each financial year. Under that law they have elected to prepare the Financial Statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practise, including FRS 101 Reduced Disclosure framework). 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 year. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; 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 have general responsibilities for taking such steps as are reasonably open to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROCLINICS (UK) LIMITED

We have audited the Financial Statements of Euroclinics (UK) Limited for the year ended 30 September 2016 set out on pages 7 to 19. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice, including FRS 101 *Reduced Disclosure Framework*).

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.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the Financial Statements

A description of the scope of an audit of Financial Statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on Financial Statements

In our opinion the Financial Statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2016 and of its results for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROCLINICS (UK) LIMITED *(continued)*

Matters on which we are required to report by exception

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

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

C. Anderson

Charlotte Anderson
Senior Statutory Auditor
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Altius House
One North Fourth Street
Milton Keynes
MK9 1NE

Date: 23.2.17

Profit and Loss Account and Other Comprehensive Income

for the year ended 30 September 2016

	Note	2016 £000	2015 £000
Revenue	2	3,231	2,777
Cost of sales		(1,947)	(1,696)
Gross profit		1,284	1,081
Administrative expenses	3	(878)	(913)
Operating profit		406	168
Interest receivable and similar income	5	-	57
Interest payable and similar charges	5	(76)	(34)
Profit on ordinary activities before taxation		330	191
Tax on profit on ordinary activities	6	-	-
Profit and total comprehensive income for the year		330	191

All activities are classified as continuing.

Balance Sheet

at 30 September 2016

	Note	2016 £000	2016 £000	2015 £000	2015 £000
Current assets					
Debtors	7	3,359		3,423	
Cash at bank and in hand		99		87	
		<u>3,458</u>		<u>3,510</u>	
Creditors: amounts falling due within one year	8	<u>(2,969)</u>		<u>(3,387)</u>	
Net current assets			<u>489</u>		<u>123</u>
Total assets less current liabilities			<u>489</u>		<u>123</u>
Creditors: amounts falling due after more than one year	9	<u>(3,318)</u>		<u>(3,282)</u>	
Net liabilities		<u>(2,829)</u>		<u>(3,159)</u>	
Capital and reserves					
Called up share capital	10	559		559	
Profit and loss account		<u>(3,388)</u>		<u>(3,718)</u>	
Shareholders' deficit		<u>(2,829)</u>		<u>(3,159)</u>	

These Financial Statements were approved by the Board of Directors on 22 February 2017 and were signed on its behalf by:



R J Bradford
 Director

Company registration number: 04499876

Statement of Changes in Equity

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 October 2014	559	(3,909)	(3,350)
Total comprehensive income for the year	-	191	191
	<hr/>	<hr/>	<hr/>
Balance at 30 September 2015	559	(3,718)	(3,159)
Total comprehensive income for the year	-	330	330
	<hr/>	<hr/>	<hr/>
Balance at 30 September 2016	559	(3,388)	(2,829)
	<hr/>	<hr/>	<hr/>

Notes

(forming part of the Financial Statements)

1 Accounting policies

Euroclinics (UK) Limited is a Company incorporated and domiciled in England and Wales.

These Financial Statements have been prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). The amendments to FRS 101 (2014/15 cycle) issued in July 2015 and effective immediately have been applied.

In preparing these Financial Statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position, financial performance and cash flows of the Company is provided in note 13.

The Company's ultimate parent company, InHealth UK Holdings Limited includes the Company in its consolidated Financial Statements, which are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Beechwood Hall, Kingsmead Road, High Wycombe, Buckinghamshire, HP11 1JL.

In these Financial Statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital; and
- Disclosures in respect of transactions with wholly owned subsidiaries.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next Financial Statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Financial Statements and in preparing an opening FRS 101 balance sheet at 1 October 2014 for the purpose of the transition to FRS 101.

The Financial Statements are prepared on the historical cost basis.

1.1 Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Principal activity section of the Directors' Report on page 2.

The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. In order to finance the working capital and capital investment, the Company's immediate parent undertaking Preventicum UK Limited has provided written confirmation that it will for at least 12 months from the date of approval of these Financial Statements continue to make available such funds as are needed by the Company and in particular will not seek repayment of amounts currently made available. The Directors believe that these banking arrangements will continue for the foreseeable future.

Notes (continued)

1 Accounting policies (continued)

1.1 Going concern (continued)

On the basis of their assessment of the Company's financial position and of the enquiries made by the Directors of Preventicum UK Limited, the Company's Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. The Directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the annual Financial Statements.

1.2 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

1.3 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.4 Revenue

Revenue consists of sales for provision of health screening or diagnostics procedures at invoiced values exclusive of value added tax and trade discounts.

Revenues are recognised once the realisation of the consideration is reasonably assured and the provision of services is substantially complete with respect to the delivery of the specific product or performance of the related service. This will normally be the case when there are no material uncertainties or performance duties outstanding which could prevent the Company from enforcing the sales transaction and collectability is reasonably assured.

1.5 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Notes (continued)

1 Accounting policies (continued)

1.5 Taxation (continued)

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

2 Revenue

	2016 £000	2015 £000
Provision of services	3,231	2,777

All revenue is generated wholly within the UK.

3 Expenses and auditor's remuneration

Included in the profit and loss account are the following:

	2016 £000	2015 £000
Auditor's remuneration:		
Audit of these Financial Statements	6	6

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's Financial Statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated Financial Statements of the Company's ultimate company, InHealth UK Holdings Limited.

Notes (continued)

4 Staff numbers and costs

The average number of persons employed by the Company (including Directors) during the year, analysed by category, was as follows:

	Number of employees	
	2016	2015
Management	1	1
Administrative	2	1
Sales	2	1
Medical	9	7
	<u>14</u>	<u>10</u>

The aggregate payroll costs of these persons were as follows:

	2016 £000	2015 £000
Wages and salaries	801	612
Social security costs	95	87
Contributions to defined contribution plans	24	21
	<u>920</u>	<u>720</u>

All Directors' remuneration was borne by InHealth Limited during the year. The notional cost of Directors' to the Company was £4,000 (2015: £4,000) during the year. None of the Directors received any remuneration from the Company during the current or prior year.

5 Interest payable and interest receivable

	2016 £000	2015 £000
Total interest receivable on financial assets	-	(57)
Total interest payable on financial liabilities	76	34
	<u>76</u>	<u>(23)</u>

6 Taxation

Recognised in the profit and loss account

	2016 £000	2015 £000
UK corporation tax		
Current tax on income for the year	-	-

Reconciliation of effective tax rate

	2016 £000	2015 £000
Profit for the year	330	191
Total tax expense	-	-
Profit excluding taxation	330	191
Tax using the UK corporation tax rate of 20 % (2015: 20.5%)	66	39
Expenses not deductible for tax purposes	7	-
Temporary differences not recognised in the computation	49	-
Adjust closing deferred tax to average rate of 20%	61	-
Deferred tax not recognised	(183)	(39)
Total tax charge	-	-

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly.

The company has unrecognised deferred tax assets of £222,000 (2015: £39,000). This has not been recognised as it is not probable that future taxable profits will be available against which the asset can be utilised.

7 Debtors

	2016 £000	2015 £000
Trade debtors	122	40
Amounts owed by group undertakings	3,223	3,380
Prepayments and accrued income	14	3
Amounts falling due within one year	3,359	3,423

Notes (continued)

8 Creditors: amounts falling due within one year

	2016 £000	2015 £000
Trade creditors	71	342
Amounts owed to group undertakings	2,436	2,858
Accruals and deferred income	462	187
	<u>2,969</u>	<u>3,387</u>

9 Creditors: amounts falling due after more than one year

	2016 £000	2015 £000
Amounts owed to group undertakings	<u>3,318</u>	<u>3,282</u>

This loan is held at fair value.

10 Called up share capital

	2016 £000	2015 £000
Allotted, called up and fully paid		
558,613 Ordinary shares of £1 each	<u>559</u>	<u>559</u>

11 Financial instruments

Financial risk management

Management continually monitor the credit risk, liquidity risk and market risk affecting the business and its financial assets and liabilities.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

Credit risk, liquidity risk and market risk are not considered material for the Company. These financial risks are considered on a consolidated basis in the Company's ultimate parent company, InHealth UK Holdings Limited.

Notes (continued)

12 Ultimate parent undertaking and parent company of larger group

The ultimate parent undertaking and controlling party is The Damask Trust, the Trustees of which are I H Bradbury and The Embleton Trust Corporation Limited.

The largest Group in which the results of the Company are consolidated is that headed by InHealth UK Holdings Limited, which is incorporated in England and Wales. The smallest Group in which the results of the Company are consolidated is that headed by InHealth Group Limited, which is incorporated in England and Wales. The consolidated Financial Statements of these groups are available to the public and may be obtained from Beechwood Hall, Kingsmead Road, High Wycombe, Buckinghamshire, HP11 1JL.

13 Explanation of transition to FRS 101

As stated in note 1, these are the Company's first Financial Statements prepared in accordance with FRS 101.

The accounting policies set out in note 1 have been applied in preparing the Financial Statements for the year ended 30 September 2016, the comparative information presented in these Financial Statements for the year ended 30 September 2015 and in the preparation of an opening FRS 101 balance sheet at 1 October 2014 (the Company's date of transition).

In preparing its FRS 101 balance sheet, the Company has adjusted amounts reported previously in Financial Statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 101 has affected the Company's financial position and financial performance is set out in the following tables and the notes that accompany the tables.

Notes (continued)

13 Explanation of transition to FRS 101 (continued)

Balance Sheet at 1 October 2014

	Note	UK GAAP £000	Effect of Transition to FRS101 £000	FRS101 £000
Current assets				
Debtors		3,131	-	3,131
Cash at bank and in hand		122	-	122
		<u>3,253</u>	<u>-</u>	<u>3,253</u>
Creditors: amounts falling due within one year	(b)	<u>(3,254)</u>	<u>(10)</u>	<u>(3,264)</u>
Net current assets		<u>(1)</u>	<u>(10)</u>	<u>(11)</u>
Total assets less current liabilities		<u>(1)</u>	<u>(10)</u>	<u>(11)</u>
Creditors: amounts falling due after more than one year	(a)	<u>(3,577)</u>	<u>238</u>	<u>(3,339)</u>
Net liabilities		<u>(3,578)</u>	<u>228</u>	<u>(3,350)</u>
Capital and reserves				
Called up share capital		559	-	559
Profit and loss account		(4,137)	228	(3,909)
Shareholders' deficit		<u>(3,578)</u>	<u>228</u>	<u>(3,350)</u>

(a) Fair values of financial instruments: the value of inter-company debtors and creditors have been restated to reflect the discounted value of those obligations with the relevant party.

(b) Creditors: amounts falling due within one year: an accrual has been calculated for all staff with remaining untaken holiday leave as at the 30 September balance sheet dates.

Notes (continued)

13 Explanation of transition to FRS 101 (continued)

Balance Sheet at 30 September 2015

	Note	UK GAAP £000	Effect of Transition to FRS101 £000	FRS101 £000
Current assets				
Debtors		3,423	-	3,423
Cash at bank and in hand		87	-	87
		<hr/>	<hr/>	<hr/>
		3,510	-	3,510
Creditors: amounts falling due within one year	(b)	(3,372)	(15)	(3,387)
		<hr/>	<hr/>	<hr/>
Net current assets		138	(15)	123
		<hr/>	<hr/>	<hr/>
Total assets less current liabilities		138	(15)	123
Creditors: amounts falling due after more than one year	(a)	(3,577)	295	(3,282)
		<hr/>	<hr/>	<hr/>
Net liabilities		(3,439)	280	(3,159)
		<hr/>	<hr/>	<hr/>
Capital and reserves				
Called up share capital		559	-	559
Profit and loss account		(3,998)	280	(3,718)
		<hr/>	<hr/>	<hr/>
Shareholders' deficit		(3,439)	280	(3,159)
		<hr/>	<hr/>	<hr/>

(a) Fair values of financial instruments: the value of inter-company debtors and creditors have been restated to reflect the discounted value of those obligations with the relevant party.

(b) Creditors: amounts falling due within one year: an accrual has been calculated for all staff with remaining untaken holiday leave as at the 30 September balance sheet dates.

Notes (continued)

13 Explanation of transition to FRS 101

Profit and Loss Account for the year ended 30 September 2015	Note	UK GAAP £000	Effect of Transition to FRS101 £000	FRS101 £000
Revenue		2,777	-	2,777
Cost of sales		(1,696)	-	(1,696)
Gross profit		1,081	-	1,081
Administrative expenses	(b)	(908)	(5)	(913)
Operating Profit		173	(5)	168
Interest receivable and similar income	(a)	-	57	57
Interest payable and similar charges		(34)	-	(34)
Profit on ordinary activities before taxation		139	52	191
Tax on profit on ordinary activities		-	-	-
Total comprehensive income for the year		139	52	191

(a) Fair values of financial instruments: the value of inter-company debtors and creditors have been restated to reflect the discounted value of those obligations with the relevant party.

(b) Creditors: amounts falling due within one year: an accrual has been calculated for all staff with remaining untaken holiday leave as at the 30 September balance sheet dates.