

COMPANY REGISTRATION NUMBER: 05057581

AT MEDICS LIMITED
FINANCIAL STATEMENTS
31 MARCH 2018



OPASS BILLINGS WILSON & HONEY LLP

Chartered Certified Accountants & statutory auditor

Numeric House
98 Station Road
Sidcup
Kent
DA15 7BY

AT MEDICS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

Contents	Pages
Officers and professional advisers	1
Strategic report	2 to 3
Directors' report	4 to 5
Independent auditor's report to the members	6 to 9
Statement of comprehensive income	10
Statement of financial position	11
Statement of changes in equity	12
Statement of cash flows	13
Notes to the financial statements	14 to 22

AT MEDICS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Dr H Abbasi
Dr M Choudhry
Dr F Lebbe
Dr U Quraishi
Dr T Radwan
Dr M A Tahir

Company secretary

S Sinclair

Registered office

Streatham Place Surgery
26-28 Streatham Place
London
United Kingdom
SW2 4QY

Auditor

Opass Billings Wilson & Honey LLP
Chartered Certified Accountants & statutory auditor
Numeric House
98 Station Road
Sidcup
Kent
DA15 7BY

Bankers

Lloyds TSB
186 Streatham High Road
London
SW16 1BG

Solicitors

DAC Beachcroft LLP
100 Fetter Lane
London
EC4A 1BN

AT MEDICS LIMITED

STRATEGIC REPORT

YEAR ENDED 31 MARCH 2018

Principal activities

AT Medics Limited is a London based provider of primary care services, which are predominantly funded by the NHS. We hold Primary Care contracts across sixteen CCG footprints, which have been competitively tendered and awarded through APMS contracts. We also run GP Extended hours services and GP Hub services. In 2017/18, we were awarded a contract to provide GP Hub services in four locations across Camden.

2017/18 represented another year of expansion of our Primary care services, increasing our reach across London, and consolidating our footprint in CCG's where we already have presence. This growth has enabled us to continue to innovate our care offer in terms of workforce, type of appointments and systems and processes.

We continue to strengthen our corporate and management team with a number of key appointments, particularly in Finance, Human Resources, Communications and Marketing and Business Intelligence.

The company

AT Medics Limited continues to be run by the six GP Founders and Directors, complemented by the CEO and Finance Officer as well as a strong central clinical and corporate team providing support to all our sites.

AT Medics Limited's vision is 'Improving Healthcare, Improving Lives' and we seek to deliver this vision through providing high quality Primary care, developing innovations which improves wider health care and maintaining strong clinical and corporate governance. We continue to be awarded 'Good' or 'Outstanding' ratings by the Care Quality Commission.

We are focussed on supporting the needs of local patients, commissioners and GP Federations, through delivering the services specified for those populations and responding to commissioners to solve issues which may impact on patient care.

The Company has consciously avoided third party borrowings, thus maximising the security of the business.

Over the last year we are proud that we have:

- Continued to deliver high quality services, even as we have grown. We have achieved this in a number of ways; firstly by investing in significant training and support across the company for our staff to ensure individuals work at the top of their licence and secondly by diversifying our skill mix by recruiting Pharmacists, Nurse Practitioners and Physician Associates, which has helped give practices additional resilience and helped to support our GP workforce
- Turned around two practices in special measures- Falmouth Road in Southwark, now rated as 'Good' by the CQC, and Avicenna Medical Practice, which following stabilisation and improvement has been dispersed, with our Silverlock Practice moving into the previous Avicenna Health Centre premises.

AT MEDICS LIMITED

STRATEGIC REPORT *(continued)*

YEAR ENDED 31 MARCH 2018

Risks

The changing management arrangements for Primary care represent a significant risk, as CCG's begin to manage under delegated authority. Our highly localised offer, and regional support means that we are confident we will be able to work effectively with new commissioning arrangements.

We continue to work with NHS PropCo to resolve service charge issues.

The growth of the company means that we have invested in both front line and corporate functions to ensure that we have the right capacity and capability. We have also begun to invest in 'Principal GP's' and Clinical Leads, to devolve clinical leadership.

Difficulties around recruitment of primary care staff is a well-documented issue. AT Medics have addressed this risk by both enhancing GP career packages and investing in a wider skill mix.

Key performance indicators

The companies KPI's mirror that of the commissioners, and relate to areas of income which are performance related. For instance QOF performance, APMS KPI's and local targets are all key areas of focus for the organisation.

Future developments

In the year ahead, consolidating performance in new practices, some which have only been mobilised in the final quarter is a significant priority, and we look forward to building and improving on our services. In addition, we will continue to expand into areas where we believe we can make a high impact or which we feel are strategically important and enhance our current service offer to patients.

This report was approved by the board of directors on 29/11/2018 and signed on behalf of the board by:



Dr H Abbasi
Director

AT MEDICS LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2018

The directors present their report and the financial statements of the company for the year ended 31 March 2018.

Directors

The directors who served the company during the year were as follows:

Dr H Abbasi
Dr M Choudhry
Dr F Lebbe
Dr U Quraishi
Dr T Radwan
Dr M A Tahir

Dividends

Particulars of recommended dividends are detailed in note 12 to the financial statements.

Employment of disabled persons

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employee involvement

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Charitable donations

During the year the company made donations totalling £357,650.

Business review

The EBITDA was £7,164,933.

Disclosure of information in the strategic report

Future developments have been disclosed in the strategic report.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 the profit or loss of the company for that period.

AT MEDICS LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2018

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.


The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all 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.

This report was approved by the board of directors on 29/11/18 and signed on behalf of the board by:



Dr H Abbasi
Director

AT MEDICS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AT MEDICS LIMITED

YEAR ENDED 31 MARCH 2018

Opinion

We have audited the financial statements of AT Medics Limited (the 'company') for the year ended 31 March 2018 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

AT MEDICS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AT MEDICS LIMITED *(continued)*

YEAR ENDED 31 MARCH 2018

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the 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.

AT MEDICS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AT MEDICS LIMITED *(continued)*

YEAR ENDED 31 MARCH 2018

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.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

AT MEDICS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AT MEDICS LIMITED *(continued)*

YEAR ENDED 31 MARCH 2018

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

P B Woodman FCCA, CTA (Senior Statutory Auditor)

For and on behalf of
Opass Billings Wilson & Honey LLP
Chartered Certified Accountants & statutory auditor
Numeric House
98 Station Road
Sidcup
Kent
DA15 7BY

29-11-18

AT MEDICS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2018

	Note	2018 £	2017 £
Turnover	4	36,471,827	29,133,686
Cost of sales		<u>(22,815,996)</u>	<u>(17,496,530)</u>
Gross profit		13,655,831	11,637,156
Administrative expenses		<u>(6,562,385)</u>	<u>(5,213,185)</u>
Operating profit	6	7,093,446	6,423,971
Interest payable	10	<u>(45,150)</u>	<u>(3,695)</u>
Profit before taxation		7,048,296	6,420,276
Taxation on ordinary activities	11	<u>(1,373,411)</u>	<u>(1,274,247)</u>
Profit for the financial year and total comprehensive income		<u>5,674,885</u>	<u>5,146,029</u>

All the activities of the company are from continuing operations.

The notes on pages 14 to 22 form part of these financial statements.

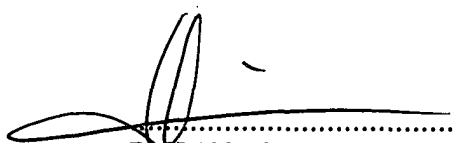
AT MEDICS LIMITED

STATEMENT OF FINANCIAL POSITION

31 MARCH 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	13	1,305,949	1,105,850
Current assets			
Stocks	14	108,730	83,542
Debtors	15	4,058,502	3,795,165
Cash at bank and in hand		5,166,769	3,419,810
		<u>9,334,001</u>	<u>7,298,517</u>
Creditors: amounts falling due within one year	16	<u>6,959,786</u>	<u>5,625,178</u>
Net current assets		<u>2,374,215</u>	<u>1,673,339</u>
Total assets less current liabilities		<u>3,680,164</u>	<u>2,779,189</u>
Provisions			
Taxation including deferred tax	17	<u>58,058</u>	<u>29,595</u>
Net assets		<u><u>3,622,106</u></u>	<u><u>2,749,594</u></u>
Capital and reserves			
Called up share capital	21	211	211
Share premium account	22	29,850	29,850
Profit and loss account	22	<u>3,592,045</u>	<u>2,719,533</u>
Shareholders funds		<u><u>3,622,106</u></u>	<u><u>2,749,594</u></u>

These financial statements were approved by the board of directors and authorised for issue on 29/11/18, and are signed on behalf of the board by:


.....
DNH Abbasi

Company registration number: 05057581

The notes on pages 14 to 22 form part of these financial statements.

AT MEDICS LIMITED

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2018

		Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 April 2016		211	29,850	1,528,588	1,558,649
Profit for the year		—	—	5,146,029	5,146,029
Total comprehensive income for the year		—	—	5,146,029	5,146,029
Dividends paid and payable	12	—	—	(3,955,084)	(3,955,084)
Total investments by and distributions to owners		—	—	(3,955,084)	(3,955,084)
At 31 March 2017		211	29,850	2,719,533	2,749,594
Profit for the year		—	—	5,674,885	5,674,885
Total comprehensive income for the year		—	—	5,674,885	5,674,885
Dividends paid and payable	12	—	—	(4,802,373)	(4,802,373)
Total investments by and distributions to owners		—	—	(4,802,373)	(4,802,373)
At 31 March 2018		211	29,850	3,592,045	3,622,106

The notes on pages 14 to 22 form part of these financial statements.

AT MEDICS LIMITED

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2018

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	5,674,885	5,146,029
<i>Adjustments for:</i>		
Depreciation of tangible assets	71,487	61,880
Interest payable	45,150	3,695
Taxation on ordinary activities	1,373,411	1,274,247
Accrued expenses/(income)	23,696	(1,158)
<i>Changes in:</i>		
Stocks	(25,188)	(45,337)
Trade and other debtors	(263,337)	(1,887,674)
Trade and other creditors	1,295,375	2,161,207
Cash generated from operations	8,195,479	6,712,889
Interest paid	(45,150)	(3,695)
Tax paid	(1,329,411)	(1,041,940)
Net cash from operating activities	<u>6,820,918</u>	<u>5,667,254</u>
Cash flows from investing activities		
Purchase of tangible assets	(271,586)	(186,437)
Net cash used in investing activities	<u>(271,586)</u>	<u>(186,437)</u>
Cash flows from financing activities		
Proceeds from borrowings	–	(4)
Dividends paid	(4,802,373)	(3,955,084)
Net cash used in financing activities	<u>(4,802,373)</u>	<u>(3,955,088)</u>
Net increase in cash and cash equivalents	1,746,959	1,525,729
Cash and cash equivalents at beginning of year	3,419,810	1,894,081
Cash and cash equivalents at end of year	<u>5,166,769</u>	<u>3,419,810</u>

The notes on pages 14 to 22 form part of these financial statements.

AT MEDICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Streatham Place Surgery, 26-28 Streatham Place, London, SW2 4QY, United Kingdom.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through the statement of comprehensive income.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Debtors

Debtors are initially recorded at fair value and are assessed for impairment for each reporting date. If any impairments exist the debtors are re-measured to their present value of the expected future cash inflows.

Creditors

Creditors are initially recorded at fair value and are re-measured to the present value of the expected future cash inflows.

Judgements and key sources of estimation uncertainty

There are no significant estimates or assumptions made that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Revenue recognition

Revenue relates to the amounts earned from the Company's principal activity, that of supplying medical services. The majority of the Company's revenue derives from NHS England funding contracts. Revenue is accounted for on an accruals basis taking into account the timing of the provision of the medical services supplied.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

AT MEDICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2018

3. Accounting policies *(continued)*

Income tax *(continued)*

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in the statement of comprehensive income. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in the statement of comprehensive income.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures, Fittings and Equipment	-	20% Straight line/25% Reducing balance
Medical equipment	-	20% straight line
Leasehold Improvements	-	10% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of

AT MEDICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2018

3. Accounting policies (continued)

Stocks

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

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in the statement of comprehensive income unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in the statement of comprehensive income.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2018 £	2017 £
NHS England Funding Contracts	35,894,544	28,663,048
Non NHS Income	577,283	470,638
	<u>36,471,827</u>	<u>29,133,686</u>

AT MEDICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2018

4. Turnover *(continued)*

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Stock expenditure

Included in cost of sales is £607,775 (2017: £593,982), which represents the total cost of materials used during the year.

6. Operating profit

Operating profit or loss is stated after charging:

	2018	2017
	£	£
Depreciation of tangible assets	<u>71,487</u>	<u>61,880</u>

Operating profit or loss is the profit or loss from business operations before deduction of interest and taxes.

7. Auditor's remuneration

	2018	2017
	£	£
Fees payable for the audit of the financial statements	<u>9,000</u>	<u>9,000</u>
Fees payable to the company's auditor and its associates for other services: Other non-audit services	<u>33,012</u>	<u>35,719</u>

8. Particulars of employees

The average number of persons employed by the company during the year, including the directors, amounted to:

	2018	2017
	No.	No.
Production staff	<u>556</u>	<u>450</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2018	2017
	£	£
Wages and salaries	13,206,470	9,421,269
Social security costs	1,229,699	862,829
Other pension costs	<u>1,747,763</u>	<u>1,300,954</u>
	<u>16,183,932</u>	<u>11,585,052</u>

AT MEDICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2018

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2018	2017
	£	£
Remuneration	237,146	242,708
Company contributions to defined contribution pension plans	689,346	515,202
	<u>926,492</u>	<u>757,910</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2018	2017
	No.	No.
Defined contribution plans	<u>6</u>	<u>6</u>

Remuneration of the highest paid director in respect of qualifying services:

	2018	2017
	£	£
Aggregate remuneration	<u>44,374</u>	<u>45,548</u>

10. Interest payable

	2018	2017
	£	£
Interest on banks loans and overdrafts	44,561	—
Other interest payable and similar charges	589	3,695
	<u>45,150</u>	<u>3,695</u>

11. Taxation on ordinary activities

Major components of tax expense

	2018	2017
	£	£
Current tax:		
UK current tax expense	1,344,948	1,258,473
Deferred tax:		
Origination and reversal of timing differences	28,463	15,774
Taxation on ordinary activities	<u>1,373,411</u>	<u>1,274,247</u>

AT MEDICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2018

11. Taxation on ordinary activities (continued)

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 20%).

	2018 £	2017 £
Profit on ordinary activities before taxation	7,048,296	6,420,276
Profit on ordinary activities by rate of tax	1,339,176	1,284,056
Effect of expenses not deductible for tax purposes	34,235	1,286
Effect of capital allowances and depreciation	(28,463)	(26,869)
Effect on deferred tax	28,463	15,774
Tax on profit	1,373,411	1,274,247

12. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2018 £	2017 £
Equity dividends on Ordinary B Shares	4,442,373	3,544,084
Equity dividends on Ordinary C Shares	360,000	411,000
	4,802,373	3,955,084

13. Tangible assets

	Freehold property £	Fixtures and fittings £	Equipment £	Leasehold improvements £	Total £
Cost					
At 1 April 2017	879,016	265,880	–	118,981	1,263,877
Additions	–	262,148	9,438	–	271,586
At 31 March 2018	879,016	528,028	9,438	118,981	1,535,463
Depreciation					
At 1 April 2017	–	116,017	–	42,010	158,027
Charge for the year	–	58,446	1,023	12,018	71,487
At 31 March 2018	–	174,463	1,023	54,028	229,514
Carrying amount					
At 31 March 2018	879,016	353,565	8,415	64,953	1,305,949
At 31 March 2017	879,016	149,863	–	76,971	1,105,850

AT MEDICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2018

14. Stocks

	2018	2017
	£	£
Raw materials	<u>108,730</u>	<u>83,542</u>

15. Debtors

	2018	2017
	£	£
Trade debtors	3,778,563	3,366,657
Prepayments and accrued income	254,143	383,977
Other debtors	25,796	44,531
	<u>4,058,502</u>	<u>3,795,165</u>

16. Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	3,843,642	3,584,020
Accruals and deferred income	45,783	22,087
Corporation tax	662,582	647,045
Social security and other taxes	261,219	291,866
Other creditors	2,146,560	1,080,160
	<u>6,959,786</u>	<u>5,625,178</u>

17. Provisions

	Deferred tax (note 18)
	£
At 1 April 2017	29,595
Additions	28,463
At 31 March 2018	<u>58,058</u>

18. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2018	2017
	£	£
Included in provisions (note 17)	<u>58,058</u>	<u>29,595</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2018	2017
	£	£
Accelerated capital allowances	<u>58,058</u>	<u>29,595</u>

AT MEDICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 MARCH 2018

19. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £1,058,417 (2017: £785,752).

20. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2018 £	2017 £
Financial assets measured at fair value through profit or loss		
Financial assets measured at fair value through statement of comprehensive income	<u>3,778,563</u>	<u>3,366,657</u>
Financial liabilities measured at fair value through profit or loss		
Financial liabilities measured at fair value through statement of comprehensive income	<u>3,843,642</u>	<u>3,584,020</u>

21. Called up share capital

Authorised share capital

	2018		2017	
	No.	£	No.	£
Ordinary A shares of £1 each	1	1	1	1
Ordinary B shares of £1 each	150	150	150	150
Ordinary C shares of £1 each	60	60	60	60
	<u>211</u>	<u>211</u>	<u>211</u>	<u>211</u>

Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary A shares of £1 each	1	1	1	1
Ordinary B shares of £1 each	150	150	150	150
Ordinary C shares of £1 each	60	60	60	60
	<u>211</u>	<u>211</u>	<u>211</u>	<u>211</u>

22. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit and loss account - This reserve records retained earnings and accumulated losses.

AT MEDICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2018

23. Commitments under operating leases

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

	2018	2017
	£	£
Not later than 1 year	111,300	111,300
Later than 1 year and not later than 5 years	111,300	222,600
	<u>222,600</u>	<u>333,900</u>

24. Directors' advances, credits and guarantees

During the year the company paid dividends to Directors amounting to £4,442,373 (2017 - £3,544,084).