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**The Practice U Surgeries Limited**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2015**

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**The Practice U Surgeries Limited**

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**COMPANY INFORMATION**

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**Directors**

J Rose  
A Johnson  
T Hopkins (resigned 22 April 2014)  
B Macfarlane (appointed 22 April 2014)  
R Hastings (appointed 30 May 2014)  
C Brinkley (appointed 27 November 2014)

**Company secretary**

F Godrich

**Registered number**

05770108

**Registered office**

Rose House, Bell Lane Office Village  
Bell Lane  
Little Chalfont  
Amersham  
Buckinghamshire  
HP6 6FA

**Independent auditor**

Nexia Smith & Williamson  
Chartered Accountants & Statutory Auditor  
1 Bishops Wharf  
Walnut Tree Close  
Guildford  
Surrey  
GU1 4RA

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**The Practice U Surgeries Limited**

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**CONTENTS**

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	Page
<b>Directors' report</b>	1 - 2
<b>Independent auditor's report</b>	3 - 4
<b>Profit and loss account</b>	5
<b>Balance sheet</b>	6
<b>Notes to the financial statements</b>	7 - 14

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## **The Practice U Surgeries Limited**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015**

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The directors present their report and the financial statements for the year ended 31 March 2015.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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;
- 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.

#### **Directors**

The directors who served during the year were:

J Rose  
A Johnson  
T Hopkins (resigned 22 April 2014)  
B Macfarlane (appointed 22 April 2014)  
R Hastings (appointed 30 May 2014)  
C Brinkley (appointed 27 November 2014)

#### **Future developments**

On 31 March 2015, all contracts currently carried out by the company ceased, representing a significant reduction in activity. New contracts are being obtained in the coming year, with a view to increasing activity once again.

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**The Practice U Surgeries Limited**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2015**

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**Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Auditor**

The auditor, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 17 September 2015 and signed on its behalf.

  
**R Hastings**  
Director

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**The Practice U Surgeries Limited**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2015**

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**Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Auditor**

The auditor, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on **15 SEPTEMBER 2015** and signed on its behalf.

  
**R Hastings**  
Director

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## **The Practice U Surgeries Limited**

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### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE PRACTICE U SURGERIES LIMITED**

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We have audited the financial statements of The Practice U Surgeries Limited for the year ended 31 March 2015, which comprise the Profit and loss account, the Balance sheet and the related notes numbered 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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.

#### **Respective responsibilities of directors and auditor**

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. 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 Financial Reporting Council'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](http://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 31 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **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.

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**The Practice U Surgeries Limited**

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE PRACTICE U SURGERIES LIMITED**

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**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 or in preparing the Directors' report.

*Nexia Smith & Williamson*

Jeffrey Selden (Senior statutory auditor)

for and on behalf of

**Nexia Smith & Williamson**

Chartered Accountants  
Statutory Auditor

1 Bishops Wharf  
Walnut Tree Close  
Guildford  
Surrey  
GU1 4RA

Date: *17 September 2015*



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**The Practice U Surgeries Limited**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2015**

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	Note	2015 £	2014 £
<b>TURNOVER</b>	1,2	<b>1,679,801</b>	<b>2,149,424</b>
Cost of sales		<b>(1,249,098)</b>	<b>(1,422,962)</b>
<b>GROSS PROFIT</b>		<b>430,703</b>	<b>726,462</b>
Administrative expenses		<b>(213,172)</b>	<b>(528,560)</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>217,531</b>	<b>197,902</b>
Tax on profit on ordinary activities	6	-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>	13	<b>217,531</b>	<b>197,902</b>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.

The notes on pages 7 to 14 form part of these financial statements.

**The Practice U Surgeries Limited**  
**REGISTERED NUMBER: 05770108**

**BALANCE SHEET**  
**AS AT 31 MARCH 2015**

	Note	£	2015 £	2014 £
<b>FIXED ASSETS</b>				
Tangible assets	7		795	2,628
<b>CURRENT ASSETS</b>				
Stocks	8	2,131		3,761
Debtors	9	2,367,179		2,160,051
Cash at bank and in hand		21,596		122,449
		<u>2,390,906</u>		<u>2,286,261</u>
<b>CREDITORS:</b> amounts falling due within one year	10	<u>(2,585,897)</u>		<u>(2,641,220)</u>
<b>NET CURRENT LIABILITIES</b>			<u>(194,991)</u>	<u>(354,959)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>(194,196)</u>	<u>(352,331)</u>
<b>PROVISIONS FOR LIABILITIES</b>				
Other provisions	11		<u>(51,285)</u>	<u>(110,681)</u>
<b>NET LIABILITIES</b>			<u><u>(245,481)</u></u>	<u><u>(463,012)</u></u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	12		3,276,710	3,276,710
Share premium account	13		499,500	499,500
Profit and loss account	13		<u>(4,021,691)</u>	<u>(4,239,222)</u>
<b>SHAREHOLDERS' DEFICIT</b>	14		<u><u>(245,481)</u></u>	<u><u>(463,012)</u></u>

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

  
**R Hastings**  
 Director

17 September 2015

The notes on pages 7 to 14 form part of these financial statements.

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## The Practice U Surgeries Limited

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

On 31 March 2015, all contracts currently carried out by the company ceased, representing a significant reduction in activity. New contracts are being obtained in the coming year, with a view to increasing activity once again.

The financial statements have been prepared on the going concern basis. Despite reporting a profit for the year, the company still has net current liabilities. However, the company has agreements in place with The Practice (Group) Limited stating The Practice (Group) Limited will continue to provide funding to the company. The financial statements of The Practice (Group) Limited reflect the ongoing support of MMC Ventures Limited and MHS Consulting, Inc, its primary shareholders, and as such the directors of The Practice U Surgeries Limited believe it appropriate to prepare the financial statements on a going concern basis.

##### 1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

##### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures & fittings	- 33% straight line
Office equipment	- 33% straight line

##### 1.4 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

##### 1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

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**The Practice U Surgeries Limited**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

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**1. ACCOUNTING POLICIES (continued)**

**1.6 Pensions**

The company has established a grouped personal pension scheme. It makes payments on a defined contribution basis on behalf of employees either into the scheme or into their own personal pension schemes. These payments are charged to the profit and loss account in the period to which they relate.

**2. TURNOVER**

The whole of the turnover is attributable to the provision of healthcare services. All turnover arose within the United Kingdom.

**3. PROFIT**

The profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets: - owned by the company	1,836	15,743

During the year, no director received any emoluments (2014 - £NIL).

**4. AUDITORS' REMUNERATION**

	2015 £	2014 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	6,000	6,750

**5. STAFF COSTS**

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	564,344	856,412
Social security costs	49,766	75,927
Other pension costs	55,200	96,359
	669,310	1,028,698

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**The Practice U Surgeries Limited**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

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**5. STAFF COSTS (continued)**

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

	2015 No.	2014 No.
Clinical and support staff	9	14
Admin	11	16
	<u>20</u>	<u>30</u>

**6. TAXATION**

	2015 £	2014 £
UK corporation tax charge on profit for the year	<u>-</u>	<u>-</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 21% (2014 - 23%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>217,531</u>	<u>197,902</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014 - 23%)	45,682	45,517
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	82
Capital allowances for year in excess of depreciation	(2,865)	(823)
Other short term timing differences	5,831	22,188
Unrelieved tax losses carried forward	(48,648)	(66,964)
<b>Current tax charge for the year (see note above)</b>	<u>-</u>	<u>-</u>

**Factors that may affect future tax charges**

The company has tax losses of £6,676,314 (2014: £6,905,567) carried forward to be utilised against future taxable profits.

**The Practice U Surgeries Limited**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**7. TANGIBLE FIXED ASSETS**

	Fixtures & fittings £	Office equipment £	Total £
<b>Cost</b>			
At 1 April 2014 and 31 March 2015	84,018	47,938	131,956
<b>Depreciation</b>			
At 1 April 2014	82,838	46,490	129,328
Charge for the year	1,180	653	1,833
At 31 March 2015	84,018	47,143	131,161
<b>Net book value</b>			
At 31 March 2015	-	795	795
At 31 March 2014	1,180	1,448	2,628

**8. STOCKS**

	2015 £	2014 £
Finished goods and goods for resale	2,131	3,761

**9. DEBTORS**

	2015 £	2014 £
Trade debtors	7,881	105,527
Amounts owed by group undertakings	2,108,058	1,850,945
Other debtors	87,101	14,999
Prepayments and accrued income	164,139	188,580
	2,367,179	2,160,051

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**The Practice U Surgeries Limited**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

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**10. CREDITORS:**

**Amounts falling due within one year**

	2015 £	2014 £
Trade creditors	626,061	832,092
Amounts owed to group undertakings	1,519,305	1,218,619
Other taxation and social security	22,007	27,103
Other creditors	378,610	350,873
Accruals and deferred income	39,914	212,533
	<u>2,585,897</u>	<u>2,641,220</u>

**11. PROVISIONS**

	<b>Onerous contracts £</b>
At 1 April 2014	110,681
Amounts used	(59,396)
At 31 March 2015	<u>51,285</u>

**Onerous contracts**

The additions in 2013 of £160,000 relates to a property lease on a building which is no longer used by the group and equates to the least net cost of exiting the contract.

**12. SHARE CAPITAL**

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
3,276,710 Ordinary shares of £1 each	<u>3,276,710</u>	<u>3,276,710</u>

**The Practice U Surgeries Limited**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**13. RESERVES**

	Share premium account £	Profit and loss account £
At 1 April 2014	499,500	(4,239,222)
Profit for the financial year		217,531
At 31 March 2015	<u>499,500</u>	<u>(4,021,691)</u>

**14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT**

	2015 £	2014 £
Opening shareholders' deficit	(463,012)	(660,914)
Profit for the financial year	217,531	197,902
Closing shareholders' deficit	<u>(245,481)</u>	<u>(463,012)</u>

**15. PENSION COMMITMENTS**

The company makes payments to employee's own pension schemes. The assets of the schemes are held separately from the assets of the company in independently administered funds. The pension cost charge represents contributions payable to the schemes and amounted to £55,200 (2014: £96,359). £257,049 (2014: £229,281) of pension contributions were payable to the scheme at the end of the year.

These contributions are made to a defined benefit pension scheme. This is a multi-employer pension scheme, and as such The Practice U Surgeries treats its contributions as a defined contribution scheme.

**16. OPERATING LEASE COMMITMENTS**

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2015 £	2014 £	2015 £	Other 2014 £
<b>Expiry date:</b>				
Within 1 year	-	119,619	-	-



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## **The Practice U Surgeries Limited**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

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#### **17. RELATED PARTY TRANSACTIONS**

During the year net expenses were paid by The Practice (Group) Limited, the ultimate parent company, on behalf of the company of £9,240, (2014: £9,540). During the year The Practice U Surgeries transferred £199 (2014: £120,000) to The Practice (Group) Limited. At 31 March 2015 The Practice U Surgeries Limited was owed £1,670,773 (2014: £1,679,955) by The Practice (Group) Limited.

During the year The Practice Services Limited, a fellow subsidiary, paid expenses on behalf of The Practice U Surgeries Limited totalling £Nil (2014: £10,405) and transferred cash totalling £10,000 (2014: £25,000) to The Practice U Surgeries Limited. At 31 March 2015 The Practice U Surgeries Limited owed The Practice Services Limited £191,001 (2014: £181,001).

During the year The Practice U Surgeries Limited paid expenses on behalf of The Practice Corporate Management Limited, the parent company, totalling £Nil (2014: £2,580) and had expenses totalling £24,280 (2014: £55,995) paid on its behalf. Other income of £300 (2014 - £7,416) was paid to the company by The Practice Corporate Management Limited. In addition, The Practice U Surgeries Limited transferred cash totalling £620,000 (2014: £775,000) to The Practice Corporate Management Limited. At 31 March 2014 The Practice U Surgeries Limited was owed by The Practice Corporate Management Limited £1,557,361 (2014: owed £767,955).

During the year Chilvers & McCrea Limited, a fellow subsidiary, paid expenses on behalf of The Practice U Surgeries Limited totalling £2,648 (2014: £1,886) and had £2,754 (2014: £Nil) of expenses paid by The Practice U Surgeries Limited. In addition, The Practice U Surgeries Limited transferred cash totalling £Nil (2014: £15,000) to Chilvers & McCrea Limited. Other income of £1,500 (2014 - £Nil) was paid to the company by Chilvers & McCrea Limited. At 31 March 2015 The Practice U Surgeries Limited was owed £85,837 (2014: £87,328) by Chilvers & McCrea Limited.

During the year The Practice Health Division Limited, a fellow subsidiary, paid expenses on behalf of The Practice U Surgeries Limited totalling £589,889 (2014: £839,226) and had expenses totalling £Nil (2014: £Nil) paid on its behalf by The Practice U Surgeries Limited. In addition, The Practice U Surgeries Limited transferred cash totalling £1,211,000 (2014: £732,000) to The Practice Health Division Limited and received £Nil (2014: £Nil) during the year. At 31 March 2015 The Practice U Surgeries Limited owed The Practice Health Division Limited £351,448 (2014: £271,439).

During the year The Practice Surgeries Limited, a fellow subsidiary, paid expenses on behalf of The Practice U Surgeries Limited totalling £10,222 (2014: £86,762) and had expenses totalling £21,573 (2014: £Nil) paid on its behalf by The Practice U Surgeries Limited. Other income of £100,975 (2014 - £151,724) was paid to the company by The Practice Surgeries Limited. In addition, The Practice U Surgeries Limited transferred cash totalling £Nil (2014: £125,000) to The Practice Surgeries Limited, The Practice Surgeries Limited transferred cash totalling £480,271 (2014: £Nil) to The Practice U Surgeries Limited. At 31 March 2015 The Practice U Surgeries Limited owed £486,092 (2014: £83,803) to The Practice Surgeries Limited.

All transactions are between The Practice U Surgeries Limited and other companies under the common control of The Practice (Group) Limited.

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**The Practice U Surgeries Limited**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

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**18. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

There is no single controlling party, but the Ultimate Parent company is The Practice (Group) Limited (formerly The Practice Plc), a company incorporated in England and Wales. The company is consolidated on the basis that it is controlled by The Practice (Group) Limited, although The Practice (Group) Limited holds no shares and has no voting rights in the company.

The consolidated accounts of The Practice (Group) Limited can be obtained from its registered office: Rose House, Bell Lane Office Village, Bell Lane, Amersham, Buckinghamshire, HP6 6FA.