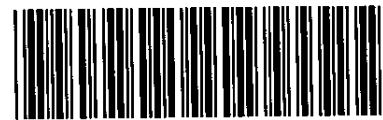

The Practice U Surgeries Limited

UNAUDITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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COMPANIES HOUSE

The Practice U Surgeries Limited

COMPANY INFORMATION

Directors	J Rose A Chan
Company secretary	F Godrich
Registered number	05770108
Registered office	Rose House, Bell Lane Office Village Bell Lane Little Chalfont Amersham Buckinghamshire HP6 6FA
Accountants	Smith & Williamson LLP Chartered Accountants 1 Bishops Wharf Walnut Tree Close Guildford Surrey GU1 4RA

The Practice U Surgeries Limited

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The Practice U Surgeries Limited

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2017**

The directors present their report and the financial statements for the year ended 31 March 2017.

Results and dividends

The loss for the year, after taxation, amounted to £493k (2016 - profit £174k).

The directors do not recommend the payment of a dividend in respect of the period (2016 - £nil).

Directors

The directors who served during the year were:

J Rose
A Chan
R Hastings (resigned 31 December 2017)
A Johnson (resigned 31 January 2018)
B Macfarlane (resigned 29 September 2016)

Small companies note

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 16 April 2018. and signed on its behalf.

J Rose
Director



The Practice U Surgeries Limited

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017**

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 to 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.

The Practice U Surgeries Limited

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF
THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF THE PRACTICE U SURGERIES LIMITED
FOR THE YEAR ENDED 31 MARCH 2017**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of The Practice U Surgeries Limited for the year ended 31 March 2017 which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes from the Company's accounting records and from information and explanations you have given us.

We are subject to the ethical and other professional requirements of the Institute of Chartered Accountants in England and Wales (ICAEW), which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of The Practice U Surgeries Limited, as a body, in accordance with the terms of our engagement letter dated 21 March 2018. Our work has been undertaken solely to prepare for your approval the financial statements of The Practice U Surgeries Limited and state those matters that we have agreed to state to the Board of Directors of The Practice U Surgeries Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Practice U Surgeries Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that The Practice U Surgeries Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit or loss of The Practice U Surgeries Limited. You consider that The Practice U Surgeries Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of The Practice U Surgeries Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Smith & Williamson LLP

Chartered Accountants

1 Bishops Wharf
Walnut Tree Close
Guildford
Surrey
GU1 4RA
Date:

The Practice U Surgeries Limited

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017 £000	2016 £000
Turnover		1,876	263
Cost of sales		(1,681)	1
Gross profit		<u>195</u>	<u>264</u>
Administrative expenses		(688)	(90)
Operating (loss)/profit		<u>(493)</u>	<u>174</u>
(Loss)/profit before and after tax		<u>(493)</u>	<u>174</u>
Retained earnings at the beginning of the year		(3,850)	(4,024)
		<u>(3,850)</u>	<u>(4,024)</u>
(Loss)/profit for the year		(493)	174
Retained earnings at the end of the year		<u>(4,343)</u>	<u>(3,850)</u>

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of income and retained earnings.

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 2017

	Note	2017 £000	2016 £000
Fixed assets			
Tangible assets	4	10	-
		<u>10</u>	<u>-</u>
Current assets			
Debtors: amounts falling due within one year	5	2,051	4,052
Bank & cash balances		194	22
		<u>2,245</u>	<u>4,074</u>
Creditors: amounts falling due within one year	6	(2,822)	(4,133)
Net current liabilities		<u>(577)</u>	<u>(59)</u>
Total assets less current liabilities		<u>(567)</u>	<u>(59)</u>
Provisions for liabilities			
Other provisions	7	-	(15)
		<u>-</u>	<u>(15)</u>
Net liabilities		<u><u>(567)</u></u>	<u><u>(74)</u></u>

The Practice U Surgeries Limited
REGISTERED NUMBER: 05770108

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2017

	Note	2017 £000	2016 £000
Capital and reserves			
Called up share capital	8	3,277	3,277
Share premium account	9	499	499
Profit and loss account	9	(4,343)	(3,850)
		<u>(567)</u>	<u>(74)</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
16 April 2018.



J Rose
Director

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

The Practice U Surgeries Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. General information

The Practice U Surgeries Limited is a private Company limited by share capital, incorporated in the United Kingdom and registered in England and Wales under Company number 05770108. Its registered office address is Rose House, Bell Lane Office Village, Bell Lane, Amersham, Little Chalfont, Buckinghamshire, HP6 6FA. The principal activity of the Company is the provision of healthcare services.

The financial information set out in these financial statements comprises the Company's statutory accounts for the year ended 31 March 2017 and the year ended 31 March 2016.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A.

This information is included in the consolidated financial statements of The Practice (Group) as at 31 March 2017 and these financial statements may be obtained from Rose House, Bell Lane Office Village, Bell Lane, Amersham, Buckinghamshire, HP6 6FA.

2.3 Going concern

The financial statements have been prepared on the going concern basis. The directors have received confirmation that its Parent will continue to support the Company. The financial statements of the Parent reflect the need for, and confirmation of, the ongoing support of the Ultimate Parent. Based on these factors the directors believe it is appropriate to prepare the financial statements on a going concern basis.

The Practice U Surgeries Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.6 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid

The Practice U Surgeries Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

2. Accounting policies (continued)

2.6 Financial instruments (continued)

or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of Income and Retained Earnings if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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

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

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

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

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The Company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

The Practice U Surgeries Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

2. Accounting policies (continued)

2.8 Provisions for liabilities

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

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

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

2.9 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

3. Employees

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

	2017	2016
	No.	No.
Clinical and support staff	29	1
Admin	12	1
	41	2

The Practice U Surgeries Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

4. Tangible fixed assets

	Fixtures & fittings £000	Office equipment £000	Total £000
Cost or valuation			
At 1 April 2016	84	48	132
Additions	14	-	14
Disposals	(84)	(48)	(132)
	<hr/> 14	<hr/> -	<hr/> 14
At 31 March 2017			
Depreciation			
At 1 April 2016	84	48	132
Charge for the period on owned assets	4	-	4
Disposals	(84)	(48)	(132)
	<hr/> 4	<hr/> -	<hr/> 4
At 31 March 2017			
Net book value			
At 31 March 2017	<hr/> <hr/> 10	<hr/> <hr/> -	<hr/> <hr/> 10
At 31 March 2016	<hr/> <hr/> -	<hr/> <hr/> -	<hr/> <hr/> -

5. Debtors

	2017 £000	2016 £000
Trade debtors	3	48
Amounts owed by group undertakings	1,883	3,793
Other debtors	108	114
Prepayments and accrued income	57	97
	<hr/> 2,051	<hr/> 4,052

The Practice U Surgeries Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

6. Creditors: Amounts falling due within one year

	2017	2016
	£000	£000
Trade creditors	225	420
Amounts owed to group undertakings	2,452	3,484
Other taxation and social security	-	1
Other creditors	92	161
Accruals and deferred income	53	67
	2,822	4,133

Bank loans and overdrafts are secured by a debenture granted by The Practice (Group) Limited and an inter-company guarantee between The Practice (Group) Limited and the following associated companies; The Practice Surgeries Limited, The Practice U Surgeries Limited, Chilvers & McCrear Limited, The Practice Health Division Limited, The Practice Properties Limited and The Practice Services Limited. In addition, a debenture has been granted in favour of Close Brothers Invoice Finance Limited with respect to an invoice discounting facility.

In addition to the above, Group borrowings are also secured by two joint and several guarantees totalling £1,190,000 provided by Dr J Rose and a joint and several guarantee for £1,380,000 provided by Dr A Kadirgamar and Dr J Rose, both of whom are directors of the parent Company, The Practice (Group) Limited. Dr J Rose has also provided a guarantee with respect to amounts due to Close Brothers Invoice Finance Limited.

7. Provisions

	Onerous contracts £000
At 1 April 2016	15
Utilised in year	(15)
At 31 March 2017	-

8. Share capital

	2017	2016
	£000	£000
Shares classified as equity		
Allotted, called up and fully paid		
3,276,710 Ordinary shares of £1 each	3,277	3,277

The Practice U Surgeries Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

9. Reserves

Share premium account

This reserve comprises the difference between the consideration received by the Company upon issuing shares and the par value of those shares.

Profit & loss account

This reserve records the cumulative retained earnings of the Group, less amounts distributed to shareholders.

10. 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 £120,173 (2016: £714). £87,543 (2016: £61,551) of pension contributions were payable to the schemes at the end of the period.

The Practice U Surgeries Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

11. Related party transactions

Company	Year ended 31 March 2017					
	Sales	Purchases/ Expenses	Other Income	Cash Transfer	Debtor	Creditor
	£000	£000	£000	£000	£000	£000
Chilvers & McCreia Limited	-	-	-	-	87	-
The Practice Corporate Management Limited	-	(912)	(1)	(496)	-	(1,254)
The Practice Sugeries Limited	-	(14)	-	(100)	-	(761)
The Practice Group Limited	-	(8)	-	(25)	1,714	-
The Practice Services Limited	-	-	-	-	-	(211)
The Practice Health Division Limited	3	(793)	1	(610)	-	(142)

Company	Year ended 31 March 2016					
	Sales	Purchases/ Expenses	Other Income	Cash Transfer	Debtor	Creditor
	£000	£000	£000	£000	£000	£000
Chilvers & McCreia Limited	-	1	-	-	87	-
The Practice Corporate Management Limited	-	(49)	-	(55)	-	(837)
The Practice Sugeries Limited	-	(302)	-	60	-	(848)
The Practice Group Limited	-	(9)	-	(35)	-	(1,697)
The Practice Services Limited	-	-	-	20	-	(211)
The Practice Health Division Limited	-	(30)	-	(100)	422	-

12. Controlling party

There is no single controlling party, but the Ultimate Parent Company is Centene Corporation, a Company incorporated in the United States of America. The immediate parent Company is The Practice (Group) Limited. 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, Little Chalfont, Amersham, Buckinghamshire, HP6 6FA.