
THE PRACTICE U SURGERIES LIMITED

UNAUDITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



THE PRACTICE U SURGERIES LIMITED

COMPANY INFORMATION

Directors	E Perry (appointed 29 March 2021) N Harding
Registered number	05770108
Registered office	Rose House Bell Lane, Office Village Bell Lane Little Chalfont Amersham Buckinghamshire, HP6 6FA

THE PRACTICE U SURGERIES LIMITED

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THE PRACTICE U SURGERIES LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report and the financial statements for the year ended 31 December 2021.

Results and dividends

The loss for the year, after taxation, amounted to £51k (2020: £35k).

The directors do not recommend the payment of a dividend in respect of the period (2020: nil).

Directors

The directors who served during the year were:

E Perry (appointed 29 March 2021)

N Harding

S Jones (resigned 30 March 2021)

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 and signed on its behalf.



E Perry

Director

14th December 2022

THE PRACTICE U SURGERIES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 their 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 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

THE PRACTICE U SURGERIES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £000	2020 £000
Turnover		—	—
Gross profit		—	—
Administrative expenses		(59)	(45)
Operating profit (loss)		(59)	(45)
Interest receivable and similar income		8	10
Profit (loss) before tax		(51)	(35)
Tax on (profit) loss		—	—
Profit (loss) for the financial year		(51)	(35)
Other comprehensive income (loss) for the year			
Actuarial gain (loss) on defined benefit pension scheme	8	95	64
Total comprehensive income (loss) for the year		<u>44</u>	<u>29</u>

The notes on pages 6 to 15 form part of these financial statements.

THE PRACTICE U SURGERIES LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2021**

	Note	2021 £000	2020 £000
Current assets			
Debtors	3	2,362	2,262
Cash at bank and in hand	4	—	12
		<u>2,362</u>	<u>2,274</u>
Creditors: amounts falling due within one year	5	(2,650)	(2,606)
Net current liabilities		<u>(288)</u>	<u>(332)</u>
Total assets less current liabilities		<u>(288)</u>	<u>(332)</u>
Net liabilities		<u>(288)</u>	<u>(332)</u>
 Capital and reserves			
Called up share capital		3,277	3,277
Share premium account	7	499	499
Profit and loss account	7	(4,064)	(4,108)
		<u>(288)</u>	<u>(332)</u>

The directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

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



E Perry
Director

14th December 2022

The notes on pages 6 to 14 form part of these financial statements.

THE PRACTICE U SURGERIES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 January 2020	3,277	499	(4,137)	(361)
Comprehensive income (loss) for the year				
Profit for the year	—	—	(35)	(35)
Actuarial gains (losses) on pension scheme	—	—	64	64
At 1 January 2021	3,277	499	(4,108)	(332)
Comprehensive income (loss) for the year				
Loss for the year	—	—	(51)	(51)
Actuarial gains (losses) on pension scheme	—	—	95	95
At 31 December 2021	3,277	499	(4,064)	(288)

The notes on pages 6 to 14 form part of these financial statements.

THE PRACTICE U SURGERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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. The registered office is Rose House Bell Lane, Office Village, Bell Lane, Little Chalfont, Amersham, Buckinghamshire, HP6 6FA.

The financial information set out in these financial statements comprises the Company's statutory accounts for the years ended 31 December 2021 and 2020.

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 Company management to exercise judgement in applying the Company's accounting policies.

The Company's functional and presentational currency is GBP.

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, 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, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Operose Health Limited as at 31 December 2021 and these financial statements may be obtained from 108 High Street, Great Missenden, England, HP16 0BG.

THE PRACTICE U SURGERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 Going concern

The directors have considered the financial position of the Company. During this period the ultimate controlling party has provided confirmation of ongoing support to the Company. Therefore, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and as such, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

As disclosed within the audited accounts of the parent company, Operose Health Limited, these financial statements have been prepared on a going concern basis, which the directors consider to be appropriate for the following reasons:

- The Company has sufficient funds, through funding from its parent, to meet its liabilities as they fall due, for a period of at least 12 months from the date of approval of the financial statements; and
- The parent has indicated its intention not to seek repayment of any amounts owed by the Company at the balance sheet date, for a period of at least 12 months from the date of approval of the financial statements.

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.

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 Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Company's cash management.

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

THE PRACTICE U SURGERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.5 Financial instruments (continued)

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

2.6 Pensions

Defined contribution pension plan

The Company operates defined contribution plans 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 recognized as an expense in the profit and loss account 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.

Defined benefit pension plan

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in the profit and loss account as employee costs, except where included in the cost of an asset, comprises:

- (a) the increase in net pension benefit liability arising from employee service during the period; and
- (b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in the profit and loss account as an 'Administrative expense'.

THE PRACTICE U SURGERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit and loss, 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 and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Debtors

	2021 £000	2020 £000
Due after more than one year		
Other debtors	674	565
	<u>674</u>	<u>565</u>
Due within one year		
Amounts owed from group undertakings	1,688	1,697
	<u>1,688</u>	<u>1,697</u>
Debtors	<u><u>2,362</u></u>	<u><u>2,262</u></u>

Other debtors due after more than one year represents the pension asset balance for the defined benefit pension scheme.

THE PRACTICE U SURGERIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Cash and cash equivalents

	2021	2020
	£000	£000
Cash at bank and in hand	<u>—</u>	<u>12</u>
	<u>—</u>	<u>12</u>

5. Creditors: Amounts falling due within one year

	2021	2020
	£000	£000
Amounts owed to group undertakings	2,515	2,466
Other creditors	20	20
Accruals and deferred income	115	120
	<u>2,650</u>	<u>2,606</u>

6. Share capital

	2021	2020
	£000	£000
Allotted, called up and fully paid		
3,276,710 Ordinary shares at £1.00 each	<u>3,277</u>	<u>3,277</u>
	<u>3,277</u>	<u>3,277</u>

7. Reserves

Share premium account

The share premium account arises on the excess of the consideration paid for ordinary shares between the amount paid per share and its nominal value.

Profit and loss account

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

THE PRACTICE U SURGERIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Pension commitments

Defined benefit pension scheme

The amounts recognised in the balance sheet are as follows:

	2021	2020	2019
	£000	£000	£000
Defined benefit obligation	(2,313)	(2,474)	(2,181)
Fair value of plan assets	2,987	3,040	2,664
Net defined benefit (liability)/asset	674	566	483
Restriction on asset recognised	—	—	—
Net amount recognised at year end (before any adjustment for deferred tax)	674	566	483

The current and past service costs, settlements and curtailments, together with the net interest expense for the period are included in profit or loss. Remeasurements of the net defined benefit liability are included in other comprehensive income.

The amounts recognised in the profit and loss account and other comprehensive income (loss) are as follows:

	2021	2020
	£000	£000
Service cost:		
Administration expenses	74	5
Net interest expense/(credit)	(7)	(10)
Charge/(credit) recognised in profit or loss	67	(5)
Remeasurements of the net liability:		
Return on scheme assets (excluding amount included in net interest expense)	80	(315)
Actuarial (gains)/losses	(175)	251
Charge/(credit) recorded in other comprehensive income	(95)	(64)
Total defined benefit cost/(credit)	(28)	(69)

THE PRACTICE U SURGERIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Pension commitments (continued)

Defined benefit pension scheme (continued)

The principal actuarial assumptions used were:

	2021	2020	2019
Liability discount rate	1.90 %	1.40 %	2.00 %
Inflation assumption - RPI	2.90 %	2.7% pre 2030, 2.4% post 2030	2.70 %
Revaluation of deferred pensions	2.90 %	2.7% pre 2030, 2.4% post 2030	2.70 %
Increases for pensions in payment:			
RPI max 6%	2.90 %	2.7% pre 2030, 2.4% post 2030	2.70 %
RPI	2.90 %	2.7% pre 2030, 2.4% post 2030	2.70 %
Proportion of employees opting for early retirement	0.00 %	0.00 %	0.00 %
Proportion of employees commuting pension for cash	0.00 %	0.00 %	0.00 %
Expected age at death of current pensioner at age 65:			
Male aged 65 at year end:	85.8	87.3	87.8
Female aged 65 at year end:	88.7	89.6	89.9
Expected age at death of future pensioner at age 65:			
Male aged 45 at year end:	87.1	88.9	89.4
Female aged 45 at year end:	90.2	91.3	91.5

Reconciliation of scheme assets and liabilities:

	Assets £000	Liabilities £000	Total £000
At start of period 1 January 2021	3,040	(2,474)	566
Benefits paid	(21)	21	—
Administration expenses	(74)	—	(74)
Contributions from the employer	80	—	80
Interest income / (expense)	42	(35)	7
Return on assets (excluding amount included in net interest)	(80)	—	(80)
Actuarial gains/(losses)	—	175	175
At end of period 31 December 2021	<u>2,987</u>	<u>(2,313)</u>	<u>674</u>

THE PRACTICE U SURGERIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Pension commitments (continued)

Defined benefit pension scheme (continued)

The return on plan assets was:

	2021	2020
	£000	£000
Interest income	42	53
Return on plan assets (excluding amount included in net interest expense)	(80)	315
Total return on plan assets	<u>(38)</u>	<u>368</u>

The major categories of scheme assets are as follows:

	2021	2020
	£000	£000
Corporates	1,520	1,622
Index linked	1,467	1,418
Total market value of assets	<u>2,987</u>	<u>3,040</u>

The defined benefit pension scheme has no investments in the Company or in property occupied by the Company.

Defined contribution pension scheme

	2021	2020
	£000	£000
Defined contribution pension scheme contributions paid during the year	(80)	4
Defined contribution pension scheme pension contributions payable at year-end	<u>98</u>	<u>98</u>

THE PRACTICE U SURGERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

9. Related party transactions

The Company has taken advantage of the exemption in FRS 102 Section 33 to not disclose transactions with wholly owned group entities.

Transactions with non wholly owned group members were as follows:

Year ended 31 December 2021

	Sales	Purchases	Cash Transfers	Debtors	Creditors
	£000	£000	£000	£000	£000
Operose Health (Group) Limited	—	—	—	1,688	—
Operose Health (Group) UK Limited	—	—	—	—	(226)
Chilvers & McCrea Limited	—	—	—	—	(35)
The Practice Surgeries Limited	2	(7)	—	—	(586)
Operose Health Corporate Management Limited	—	(66)	12	—	(1,668)
	<u>2</u>	<u>(73)</u>	<u>12</u>	<u>1,688</u>	<u>(2,515)</u>

Year ended 31 December 2020

	Sales	Purchases	Cash Transfers	Debtors	Creditors
	£000	£000	£000	£000	£000
Operose Health (Group) Limited	—	—	—	1,697	—
Operose Health (Group) UK Limited	—	(1)	—	—	(227)
Chilvers & McCrea Limited	—	—	—	—	(35)
The Practice Surgeries Limited	—	(14)	—	—	(582)
Operose Health Corporate Management Limited	6	(44)	—	—	(1,622)
	<u>6</u>	<u>(59)</u>	<u>—</u>	<u>1,697</u>	<u>(2,466)</u>

10. Controlling party

The Company's immediate parent, via control rather than voting shares, is Operose Health (Group) Limited, a company incorporated in England and Wales.

The ultimate controlling party and the parent of the largest group which includes the Company and for which group accounts are prepared is Centene Corporation, a company incorporated in the United States of America. Copies of the Group accounts can be obtained from its registered office at Centene Plaza, 7700 Forsyth Blvd., St. Louis, MO 63105, USA.

The consolidated accounts of Operose Health Limited, which is the smallest group which includes the Company and for which group accounts are prepared can be obtained from its registered office: 108 High Street, Great Missenden, HP16 0BG.