

REGISTERED NUMBER: 09306872 (England and Wales)

Strategic Report, Report of the Director and

Financial Statements

for the Year Ended 31 December 2018

for

Aurelius Eta UK Investments Limited

**Contents of the Financial Statements
for the Year Ended 31 December 2018**

	Page
Company Information	1
Strategic Report	2
Report of the Director	3
Report of the Independent Auditors	4
Income Statement	6
Other Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10

Aurelius Eta UK Investments Limited

Company Information
for the Year Ended 31 December 2018

DIRECTOR: E Depken

REGISTERED OFFICE: 6th Floor
33 Glasshouse Street
London
W1B 5DG

REGISTERED NUMBER: 09306872 (England and Wales)

AUDITORS: Silbury Business Advisers Limited
Chartered Accountants and
Statutory Auditors
Venture House
Calne Road
Lyneham
Chippenham
SN15 4PP

Strategic Report
for the Year Ended 31 December 2018

The director presents his strategic report for the year ended 31 December 2018.

Review of Business

The company was set up to make investments in businesses and then to provide loans to those group companies. These investments and loans, in and to the Transform Hospital Group, were to be funded by a loan from Aurelius Equity Opportunities SE & Co KGaA the ultimate parent company. During the year and to date no further investments were made. A further loan was made to Combine Op Co Ltd. No further investments or loans were made or received following the year end.

There are no key performance indicators applicable at this time.

Principal Risks and Uncertainties

The principal risks and uncertainties remains the performance of the investments, the ability of the borrowers to repay and service loans and the continued credit offered by the parent company. These rely on the continued support of the parent company which has been sought and confirmed.

Post Balance Sheet Events

In April 2019 the company set up the Transform Hospital Group Limited as a wholly owned subsidiary. In July 2019 the Transform Hospital Group was put into administration. It is the intention to restructure the business of the Transform Hospital Group via acquisition, from the administrator, of the assets and liabilities of the Transform Hospital Group by Transform Hospital Group Limited.

Whilst the Director is confident that the restructuring will occur and all of the assets and liabilities will be transferred until such a restructuring can be finalised with the administrators there remains a doubt over the recoverability of inter company debt.

ON BEHALF OF THE BOARD:

E Depken - Director

25 September 2019

**Report of the Director
for the Year Ended 31 December 2018**

The director presents his report with the financial statements of the company for the year ended 31 December 2018.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2018.

DIRECTOR

E Depken held office during the whole of the period from 1 January 2018 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

E Depken - Director

25 September 2019

Report of the Independent Auditors to the Members of Aurelius Eta UK Investments Limited

Opinion

We have audited the financial statements of Aurelius Eta UK Investments Limited (the 'company') for the year ended 31 December 2018 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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.

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 Auditors' 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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.

Other information

The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

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 Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of Aurelius Eta UK Investments Limited

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 Report of the Director.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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 a Report of the Auditors 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.

Christopher Baylis (Senior Statutory Auditor)
for and on behalf of Silbury Business Advisers Limited
Chartered Accountants and
Statutory Auditors
Venture House
Calne Road
Lyneham
Chippenham
SN15 4PP

25 September 2019

Income Statement
for the Year Ended 31 December 2018

	Notes	31.12.18 £	31.12.17 £
REVENUE	3	317,700	305,551
Cost of sales		<u>298,536</u>	<u>290,270</u>
GROSS PROFIT		19,164	15,281
Administrative expenses		<u>28,457</u>	<u>25,731</u>
OPERATING LOSS	5	(9,293)	(10,450)
Interest receivable and similar income		<u>126,894</u>	<u>124,324</u>
		117,601	113,874
Interest payable and similar expenses	6	<u>90,577</u>	<u>90,159</u>
PROFIT BEFORE TAXATION		27,024	23,715
Tax on profit	7	<u>5,427</u>	<u>5,000</u>
PROFIT FOR THE FINANCIAL YEAR		<u>21,597</u>	<u>18,715</u>

Other Comprehensive Income
for the Year Ended 31 December 2018

	Notes	31.12.18 £	31.12.17 £
PROFIT FOR THE YEAR		21,597	18,715
OTHER COMPREHENSIVE INCOME		—	—
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>21,597</u>	<u>18,715</u>

Statement of Financial Position
31 December 2018

	Notes	31.12.18 £	£	31.12.17 £	£
FIXED ASSETS					
Investments	8		2,501,902		2,501,902
CURRENT ASSETS					
Debtors	9	528,261		274,071	
Cash at bank		<u>104,005</u>		<u>246,158</u>	
		632,266		520,229	
CREDITORS					
Amounts falling due within one year	10	<u>2,205,838</u>		<u>2,115,398</u>	
NET CURRENT LIABILITIES			<u>(1,573,572)</u>		<u>(1,595,169)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>928,330</u>		<u>906,733</u>
CAPITAL AND RESERVES					
Called up share capital	11		1,001		1,001
Share premium	12		499,999		499,999
Retained earnings	12		<u>427,330</u>		<u>405,733</u>
SHAREHOLDERS' FUNDS			<u>928,330</u>		<u>906,733</u>

The financial statements were approved by the director on 25 September 2019 and were signed by:

E Depken - Director

Statement of Changes in Equity
for the Year Ended 31 December 2018

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 January 2017	1,001	387,018	499,999	888,018
Changes in equity				
Total comprehensive income	-	18,715	-	18,715
Balance at 31 December 2017	1,001	405,733	499,999	906,733
Changes in equity				
Total comprehensive income	-	21,597	-	21,597
Balance at 31 December 2018	1,001	427,330	499,999	928,330

**Notes to the Financial Statements
for the Year Ended 31 December 2018**

1. STATUTORY INFORMATION

Aurelius Eta UK Investments Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows.

Preparation of consolidated financial statements

The financial statements contain information about Aurelius Eta UK Investments Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Aurelius Equity Opportunities SE & Co. KGaA, Ludwig-Ganghofer-Straße 6, 82031 Grünwald, Germany.

Significant judgements and estimates

In April 2019 the company set up the Transform Hospital Group Limited as a wholly owned subsidiary. In July 2019 the Transform Hospital Group was put into administration. It is the intention to restructure the business of the Transform Hospital Group via acquisition, from the administrator, of the assets and liabilities of the Transform Hospital Group by Transform Hospital Group Limited.

Whilst the Director is confident that the restructuring will occur and all of the assets and liabilities will be transferred until such a restructuring can be finalised with the administrators there remains a doubt over the recoverability of inter company debt. The values of these loans are set out in the related party note. No provision for non repayment has been made in these accounts.

Turnover

Turnover during the year was management fees charges to Transform Hospital Group and was recognised on date of invoice.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

3. REVENUE

The revenue and profit before taxation are attributable to the one principal activity of the company.

4. EMPLOYEES AND DIRECTORS

	31.12.18	31.12.17
	£	£
Wages and salaries	10,588	10,477
Social security costs	555	-
	<u>11,143</u>	<u>10,477</u>

The average number of employees during the year was as follows:

31.12.18	31.12.17
<u>2</u>	<u>1</u>

	31.12.18	31.12.17
	£	£
Director's remuneration	<u>10,588</u>	<u>10,477</u>

5. OPERATING LOSS

The operating loss is stated after charging:

	31.12.18	31.12.17
	£	£
Other operating leases	1,200	1,500
Auditors' remuneration	2,250	2,250
Auditors' remuneration for non audit work	<u>3,750</u>	<u>3,750</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018**

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.12.18	31.12.17
	£	£
Loan	<u>90,577</u>	<u>90,159</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31.12.18	31.12.17
	£	£
Current tax:		
UK corporation tax	<u>5,427</u>	<u>5,000</u>
Tax on profit	<u>5,427</u>	<u>5,000</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.18	31.12.17
	£	£
Profit before tax	<u>27,024</u>	<u>23,715</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19%)	5,135	4,506
Effects of:		
Expenses not deductible for tax purposes	292	-
Difference in tax rate	-	494
Total tax charge	<u>5,427</u>	<u>5,000</u>

8. FIXED ASSET INVESTMENTS

	31.12.18	31.12.17
	£	£
Shares in group undertakings	2	2
Loans to group undertakings	<u>2,501,900</u>	<u>2,501,900</u>
	<u>2,501,902</u>	<u>2,501,902</u>

Additional information is as follows:

COST

At 1 January 2018
and 31 December 2018

NET BOOK VALUE

At 31 December 2018
At 31 December 2017

Shares in
group
undertakings
£

2

2

2

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

8. FIXED ASSET INVESTMENTS - continued

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

TFHC Holdings Ltd

Registered office: 192 Altrincham Road, Manchester, England, M22 4RZ

Nature of business: Healthcare

	%
Class of shares:	holding
Ordinary	100.00

Combine Holding Limited

Registered office: 192 Altrincham Road, Manchester, England, M22 4RZ

Nature of business: Holding company

	%
Class of shares:	holding
Ordinary	100.00

TFHC Property Limited

Registered office: 192 Altrincham Road, Manchester, England, M22 4RZ

Nature of business: Investment property company

	%
Class of shares:	holding
Ordinary	100.00

Indirectly held.

Combine Opco Limited

Registered office: 192 Altrincham Road, Manchester, England, M22 4RZ

Nature of business: Hospital activities

	%
Class of shares:	holding
Ordinary	100.00

Indirectly held.

Combine Asset Limited

Registered office: 192 Altrincham Road, Manchester, England, M22 4RZ

Nature of business: Letting and operating of real estate

	%
Class of shares:	holding
Ordinary	100.00

Indirectly held.

TFHC Ltd

Registered office: 192 Altrincham Road, Manchester, England, M22 4RZ

Nature of business: Healthcare services.

	%
Class of shares:	holding
Ordinary	100.00

At 1 January 2018
and 31 December 2018

Loans to
group
undertakings
£

2,501,900

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018**

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.18	31.12.17
	£	£
Amounts owed by group undertakings	<u>528,261</u>	<u>274,071</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.18	31.12.17
	£	£
Trade creditors	3,959	491
Amounts owed to group undertakings	2,154,787	2,064,629
Tax	24,194	29,262
Social security and other taxes	54	(236)
VAT	15,253	15,161
Funds from Wallace LLP	91	91
Accrued expenses	<u>7,500</u>	<u>6,000</u>
	<u>2,205,838</u>	<u>2,115,398</u>

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.18	31.12.17
			£	£
1,001	ordinary	£1	<u>1,001</u>	<u>1,001</u>

12. RESERVES

	Retained earnings	Share premium	Totals
	£	£	£
At 1 January 2018	405,733	499,999	905,732
Profit for the year	<u>21,597</u>		<u>21,597</u>
At 31 December 2018	<u>427,330</u>	<u>499,999</u>	<u>927,329</u>

13. ULTIMATE PARENT COMPANY

Aurelius Equity Opportunities SE & Co. KGaA (incorporated in Germany) is regarded by the director as being the company's ultimate parent company.

14. RELATED PARTY DISCLOSURES

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018**

Other related parties

Related Party	Nature of transaction	Amount £
Aurelius Equity Opportunities SE & Co KGaA	Loan from	1,765,533
	Management charge from	298,536
	Intercompany balance to	nil
	Loan interest payable	389,252
The above loan is repayable on demand. Interest is charged at 4.5%The above loan is secured by a fixed and floating charge over the assets of the company.		
Other group companies	Intercompany balance to	1
	Rental paid to	1,200
Combine Opco Limited	Loan to	500,000
	Interest received from	26,802
	Intercompany balance from	50,643
The above loan is repayable on demand. Interest is charged at 5%		
TFHC Holdings Limited	Loan to	2,001,900
	Consultancy fees to	317,700
	Interest received from	100,092
	Intercompany balance from	477,618
The above loan is repayable on demand. Interest is charged at 5%		

15. GOING CONCERN AND POST BALANCE SHEET EVENTS

In April 2019 the company set up the Transform Hospital Group Limited as a wholly owned subsidiary. In July 2019 the Transform Hospital Group was put into administration. It is the intention to restructure the business of the Transform Hospital Group via acquisition, from the administrator, of the assets and liabilities of the Transform Hospital Group by Transform Hospital Group Limited.

Whilst the Director is confident that the restructuring will occur and all of the assets and liabilities will be transferred until such a restructuring can be finalised with the administrators there remains a doubt over the recoverability of inter company debt.

A letter of support has been provided by the parent company Aurelius Equity Opportunities SE & Co KGaA and the accounts prepared on a going concern basis.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.