

# Life UK Holdco Limited

## Annual Report & Financial Statements

For the year ended 30 September 2018

Company number 10478866



**DIRECTORS**

G E Blomfield

N J Burley

C J G Niehaus

A M Pyle

S B Viranna

P P Van Der Westhuizen

**SECRETARY**

I K Cattermole (resigned 1 September 2018)

**INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Donington Court

Pegasus Business Park

Castle Donington

East Midlands

DE74 2UZ

**BANKERS**

Barclays

1 Churchill Place

Canary Wharf

London

E14 5HP

**REGISTERED OFFICE**

Iceni Centre

Warwick Technology Park

Warwick

Warwickshire

CV34 6DA

**Life UK Holdco Limited**

**STRATEGIC REPORT**

**PRINCIPAL ACTIVITY AND REVIEW OF THE YEAR**

The principal activity of the Company during the year is as a holding company. The Company operated a short accounting period last period to have a year date coterminous with the ultimate parent undertaking.

**REVIEW OF THE BUSINESS**

The key performance indicator of the Company is:

	2018	2017
	£000	£000
Profit/(loss) before taxation	6,317	(6,857)

**RESULTS AND DIVIDENDS**

The profit for the year amounted to £6,317,000 (2017: loss of £6,857,000). Dividends totalling £nil were paid in the period (2017: £nil). Net assets at the end of the year totalled £538,601 (period to 2017: £532,284).

**CONVERSION TO FRS 101 "REDUCED DISCLOSURE FRAMEWORK"**

The Company has adopted FRS 101 "Reduced Disclosure Framework" for this reporting period and has, therefore, applied this in the prior period from the date of incorporation. In doing so the Company has applied the principles of IFRS 1 "First Time Adoption" and has included a reconciliation to previously published results under FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (note 13).

**MANAGEMENT OF PRINCIPAL RISKS AND UNCERTAINTIES**

The Company's Directors recognise the importance of sound risk management to the success of operations and accordingly set policies to mitigate the risks. The principal risks and uncertainties facing the Company and the potential impact and mitigation are summarised below.

Risk Category	Potential Impact	Mitigation
Counterparty credit risk	A fellow subsidiary undertaking may not satisfy its contractual obligations in meeting its inter-company liabilities	Counterparty credit risk is mitigated by ensuring that loans to fellow subsidiaries contribute to the long term success of the Group.

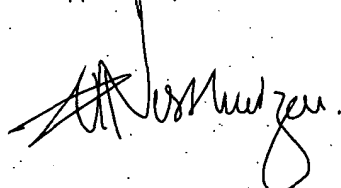
**CAPITAL MANAGEMENT**

The primary objective of the Company's capital management is to ensure that, after taking into consideration the funding facilities available to subsidiary undertakings, there are sufficient funds available to subsidiary undertakings to support sustainable planned growth and expansion.

**DIRECTORS**

During the year G E Blomfield and N J Burley stepped down as executive directors and became non-executive directors.

Approved by the board on 30 January 2019 and signed on its behalf by:



P P Van Der Westhuizen  
Director

## **Life UK Holdco Limited**

### **DIRECTORS' REPORT**

The Directors present their report together with the audited financial statements for the year ended 30 September 2018.

#### **FUTURE DEVELOPMENTS**

The Directors continue to seek opportunities to enhance shareholder value through investments.

#### **DIRECTORS AND THEIR INTERESTS**

The Directors of the Company who were in office during the period and up to the date of signing the financial statements were as follows:

G E Blomfield

N J Burley

C J G Niehaus

A M Pyle

S P Taylor (resigned 1 February 2018)

S B Viranna (appointed 1 February 2018)

P P Van Der Westhuizen

No Director is beneficially interested in the share capital of the Company.

#### **POST BALANCE SHEET EVENTS**

In December 2018 the Company entered into credit facilities of €105,000,000 arranged by Firststrand Bank Limited acting through its Rand Merchant Bank Division (London Branch) and The Standard Bank of South Africa Limited (Isle of Man Branch). The facilities are committed for one year and replaced the short term funding in the Company and will be used to finance future growth in the Alliance Medical Group.

On 21 December 2018, Alliance Medical Ltd, a subsidiary of Life UK Holdco Ltd acquired the entire share capital of European Scanning Centre Limited, the principle activity of which is to provide diagnostic medical imaging services, for an initial consideration of £10,702,000.

#### **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

During the period the Company maintained insurance cover for Directors' and Officers' liability as permitted under section 232 (2) of the Companies Act 2006.

#### **POLITICAL DONATIONS**

During the period the company made donations totalling £nil (2017: £nil).

#### **INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP are deemed to be reappointed as auditors under section 487 (2) of the Companies Act 2006.

## **Life UK Holdco Limited**

### **DIRECTORS' REPORT (continued)**

#### **GOING CONCERN**

In determining the appropriate basis of preparation of financial statements, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future.

The Directors have reviewed the loan facilities available from Group companies together with current trading and cash flow projections as part of their assessment of going concern, and after making enquiries and having carefully considered these matters, the Directors have a reasonable expectation that the Company will be able to meet its liabilities as they fall due and will have adequate resources to continue in operational existence for the foreseeable future. For these reasons, the Directors have adopted the going concern basis of accounting in preparing the financial statements.

#### **FINANCIAL RISK MANAGEMENT**

The principal risks and uncertainties facing the Company and the potential impact and mitigation are summarised in the Strategic Report.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements 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 company will continue in business.

The directors 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 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.

**Life UK Holdco Limited**

**DIRECTORS' REPORT (continued)**

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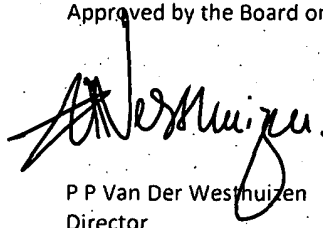
**STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS**

In accordance with Section 418, in the case of each Director in office at the date the Directors' Report is approved:

(a) So far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

(b) 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.

Approved by the Board on 30 January 2019 and signed on its behalf by:



P P Van Der Westhuizen  
Director

## **Life UK Holdco Limited**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIFE UK HOLDCO LIMITED**

#### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

##### **OPINION**

In our opinion, Life UK Holdco Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report & Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 30 September 2018; the profit and loss account, and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

##### **BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

##### **CONCLUSIONS RELATING TO GOING CONCERN**

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIFE UK HOLDCO LIMITED (CONTINUED)**

**REPORTING ON OTHER INFORMATION**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

***Strategic Report and Directors' Report***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 September 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

**RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT**

***Responsibilities of the directors for the financial statements***

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



## Life UK Holdco Limited

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIFE UK HOLDCO LIMITED (CONTINUED)

#### ***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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### ***Use of this report***

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **OTHER REQUIRED REPORTING**

##### ***Companies Act 2006 exception reporting***

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



David Teager (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
East Midlands  
31 January 2019

**PROFIT AND LOSS ACCOUNT**  
 for the year ended 30 September 2018

	Notes	2018 £000	2017 £000
Administrative expenses		(15)	(6,857)
Other gains		6,771	-
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION</b>	<b>4</b>	<b>6,756</b>	<b>(6,857)</b>
Interest payable	5	(7,030)	-
Interest receivable	5	6,591	-
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAX</b>		<b>6,317</b>	<b>(6,857)</b>
Tax on profit/(loss) on ordinary activities	6	-	-
<b>PROFIT/(LOSS) FOR THE FINANCIAL PERIOD</b>		<b>6,317</b>	<b>(6,857)</b>

The Company's activities all derive from continuing operations.

There is no other comprehensive income or expenses other than those included above and therefore a statement of comprehensive income has not been included in these financial statements.

There is no material difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the financial period stated above and its historical cost equivalent.

**BALANCE SHEET**

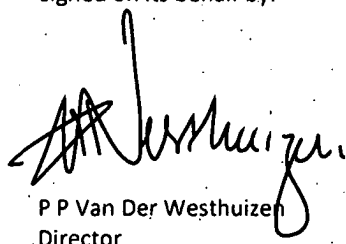
As at 30 September 2018

Company registered number: 10478866

	Notes	2018 £000	2017 £000
<b>FIXED ASSETS</b>			
Investments	7	533,951	533,951
		<u>533,951</u>	<u>533,951</u>
<b>CURRENT ASSETS</b>			
Debtors (including £280,646 due after more than one year (2017: £nil))	8	324,387	41,377
Cash and cash equivalents		124	-
		<u>324,511</u>	<u>41,377</u>
<b>CREDITORS: amounts falling due within one year</b>	9	(33,688)	-
<b>NET CURRENT ASSETS</b>		<u>290,823</u>	<u>41,377</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>824,774</u>	<u>575,328</u>
<b>CREDITORS: amounts falling due after more than one year</b>	9	(286,173)	(43,044)
<b>NET ASSETS</b>		<u>538,601</u>	<u>532,284</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	539,141	539,141
Profit and loss account		(540)	(6,857)
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>538,601</u>	<u>532,284</u>

The notes on pages 13 to 25 are an integral part of these financial statements.

These financial statements on pages 10 to 25 were approved by the Board of Directors on 30 January 2019 and were signed on its behalf by:



P P Van Der Westhuizen  
Director

**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 30 September 2018**

	Called up share capital £000	Profit and loss account £000	Total Shareholders' funds £000
Shares issued on incorporation	497,649	-	497,649
Further issuance of shares	41,492	-	41,492
Loss for the period	-	(6,857)	(6,857)
At 30 September 2017	539,141	(6,857)	532,284
Profit for the year	-	6,317	6,317
At 30 September 2018	539,141	(540)	538,601

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

### 1. GENERAL INFORMATION

The Company is a private company limited by shares and is incorporated and domiciled in England. The address of the registered office and principle place of business is shown on page 2. The principle activity of the Company is shown in the Strategic Report on page 3.

### 2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and the Companies Act 2006.

### 3. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

#### Basis of preparation

These financial statements have been prepared on a going concern basis under the historical cost convention. The Company has adopted FRS 101 "Reduced Disclosure Framework" for this reporting period and has, therefore, applied this in the prior period from the date of incorporation. In doing so the Company has applied the principles of IFRS 1 "First Time Adoption" and has included a reconciliation to previously published results under FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

#### Basis of consolidation

Group financial statements have not been prepared as permitted by Section 401 of the Companies Act 2006, as the Company is a wholly owned subsidiary of Life Healthcare Group Holdings Limited, a company incorporated in South Africa, from whose registered office Group financial statements may be obtained. Therefore these financial statements present information about the Company and not about its Group.

#### Exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- The requirements of paragraph 45(b) and 46-52 of IFRS 2 "Share Based Payment";
- The requirements of IFRS 7 "Financial Instruments: Disclosures";
- The requirements of paragraphs 91-99 of IFRS 13 "Fair Value Measurement";
- The requirement in paragraph 38 of IAS 1 "Presentation of Financial Statements" to present comparative information in respect of:
  - Paragraph 79(a)(iv) of IAS 1 "Presentation of Financial Statements";
  - Paragraph 73(e) of IAS 16 "Property, Plant and Equipment"; and
  - Paragraph 118(e) of IAS 38 "Intangible Assets";
- The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40C, 40D, 111 and 134-136 of IAS 1 "Presentation of Financial Statements";
- The requirements of IAS 7 "Statement of Cash Flows";
- The requirements of paragraphs 30 and 31 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"; and
- The requirements in IAS 24 "Related Party Disclosures" to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party of the transaction is wholly owned by such a member.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

### 3. ACCOUNTING POLICIES (continued)

#### Exemptions (continued)

This information is included in the consolidated financial statements of Life Healthcare Group Holdings Limited as at September 2018.

#### Functional and presentation currency

The Company's functional and presentation currency is the pound sterling.

#### Fixed asset investments

Investments in subsidiary undertakings are stated at cost less provision for impairment.

#### Going concern

In determining the appropriate basis of preparation of financial statements, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future.

The Directors have reviewed the loan facilities available from Group companies together with current trading and cash flow projections as part of their assessment of going concern, and after making enquiries and having carefully considered these matters, the Directors have a reasonable expectation that the Company will be able to meet its liabilities as they fall due and will have adequate resources to continue in operational existence for the foreseeable future. For these reasons, the Directors have adopted the going concern basis of accounting in preparing the financial statements.

#### Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cost generating unit ("CGU") to which the asset belongs to. An asset's recoverable amount is the higher of the asset's, or CGU's, fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss is recognised in profit or loss in the period in which it arises.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

### 3. ACCOUNTING POLICIES (continued)

#### Deferred taxation

The deferred taxation charge takes into account taxation deferred due to timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date, with the expectation that the Directors consider that it is 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 is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### Financial instruments

The Company classifies financial instruments, or their component parts, on initial recognition as financial assets, financial liabilities or equity instruments according to the substance of the contractual arrangements entered into. 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. All financial instruments are initially recognised at fair value. After initial recognition, loans and receivables, including short-term receivables, and financial liabilities, including trade payables, are carried at amortised cost, as reduced by appropriate allowances for estimated irrecoverable amounts.

#### Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of transaction or at the contracted rate if the transaction is covered by a forward foreign currency contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

#### Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds received.

#### Share-based payments

The company has awarded a number of equity shares to employees that may be redeemed once certain vesting conditions are met. As these awards will therefore be settled in cash they fall to be accounted for as cash settled awards in line with section IFRS 2 concerning "Share Based Payments". The fair value of the award is determined at the end of each reporting period using an appropriate fair value pricing methodology, and within the accounts the estimated liability is accrued over the expected vesting period, with the resulting movement being reflected in staff costs, or administrative expenses when the individual is no longer employed by the group. Where the amount recognised in the profit and loss account is a credit then this is recorded within other gains.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 September 2018

**3. ACCOUNTING POLICIES (continued)**

**Critical accounting judgements and sources of estimation uncertainty**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

The Company's impairment test for investments is based on value in use which is calculated using a discounted cash flow model, the cash flows for which are derived from the Company's three year plan and do not include significant capital expenditure that will enhance the performance of the cash generating unit being tested. The recoverable amount is sensitive to the discount rate, the expected future cash inflows and the terminal growth rate.

**4. PROFIT/(LOSS) ON ORDINARY ACTIVITIES**

**(a) This is stated after charging:**

	2018 £000	2017 £000
Audit fees	10	5
Tax fees	5	3

There were no staff, other than Directors, during the period. The Directors have neither received nor waived any emoluments in respect of their services to the Company during the year, other than shown in note 4(b). The Directors of the Company are also, or have also been, Directors of one of more of the other companies in the Group. These Directors do not believe that it is practicable to apportion their emoluments between their services as Directors of the Company and their services as Directors of other companies in the Group.

**(b) Staff costs:**

	2018 £000	2017 £000
Share based payment charge in respect of employee services	-	3,030

As part of the acquisition of the Alliance Medical Group by the Life Healthcare Group certain C shares were issued in Life UK Healthcare Limited, a subsidiary of the company in exchange for future employee services. These fall to be accounted for as shared based payments. As the awards are cash settled by the company the liability is revalued at the balance sheet date and the charge accrued over the expected vesting period. The charge is then allocated into those companies that have received the employment services in respect of those awards. The charge recognised in the period to 30 September 2018 in respect of these arrangements in the company was £nil (2017: £3,030,000). In the current year the reduction in the C share liability is shown as an other gain in note 4 (c).

Of this share based payment charge £nil (2017: £2,727,000) related to amounts due to directors.



**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 September 2018

**4. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAX (continued)****(c) Other gains:**

	2018 £000	2017 £000
Settlement of B shares	(4,144)	-
Valuation of C shares	(2,806)	-
Stamp duty on settlement of B shares	179	-
	<u>(6,771)</u>	<u>-</u>

The B shares were revalued until their settlement date resulting in a gain of £4,144,000. In 2017 the revaluation of the B shares during the period resulted in a charge to administrative expenses of £3,812,000 as disclosed in note 13.

**5. NET FINANCE COSTS**

	2018 £000	2017 £000
Interest payable on bank loans	(6,113)	-
Fees and charges	(602)	-
Foreign exchange on external loans	(315)	-
<b>Interest payable</b>	<u>(7,030)</u>	<u>-</u>
Interest receivable from group undertakings	6,156	-
Foreign exchange on loans to group undertakings	435	-
<b>Interest receivable</b>	<u>6,591</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the period ended 30 September 2018

**6. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES**

**(a) Tax on profit/(loss) on ordinary activities**

There is no charge for taxation in the period.

**(b) Factors affecting the tax for the period**

The tax assessed for the period differs from that resulting from applying the standard rate of corporation tax in the UK of 19% (2017: 19.43%). The differences are explained below:

	2018 £000	2017 £000
Profit/(loss) on ordinary activities before tax	6,317	(6,857)
Profit/(loss) on ordinary activities at the standard rate of 19% (2017: 19.43%)	1,200	(1,332)
Effects of:		
Expenses not deductible for tax purposes	-	1,329
Income not taxable	(1,350)	-
Group relief claimed for no consideration	150	-
Losses not recognised	-	3
<b>Total tax for the year/period (note 6 (a))</b>	<b>-</b>	<b>-</b>

**(c) Factors affecting current and future tax charges**

The fall in the UK Corporation tax rate to 17% effective from 1 April 2020 was substantially enacted on 6 September 2016. The financial statements have been prepared reflecting this change to UK tax legislation.

**NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 30 September 2018

**7. INVESTMENTS**

	Subsidiary Undertakings £000
Cost at 1 October 2017 and 30 September 2018	533,951
Impairment at 1 October 2017 and 30 September 2018	-
<b>Net book value at 30 September 2018</b>	<b>533,951</b>
Net book value at 30 September 2017	533,951

During the prior period a subsidiary of the company, Life UK Healthcare Limited, purchased the entire share capital of Alliance Medical Group Limited in exchange for cash consideration and by issuing B Shares in Life UK Healthcare Limited in exchange for those shares in Alliance Medical Group Limited held by certain directors of Alliance Medical Group Limited. At the same time the company issued a call option to buy back the B Shares in Life UK Healthcare Limited under an arrangement that would set the settlement value under a methodology linked to the future value of the Alliance Medical Group Limited that could be exercised from 30 September 2019 to 30 September 2022. If the company had not exercised this call option, an indirect subsidiary of the company, Alliance Medical Limited, had committed to buy back these amounts at a value in excess of the company's settlement value. This arrangement was settled during the year to 30 September 2018 at £1.082 per share.

The investment represents the holding in Life UK Healthcare Limited. All other holdings in subsidiaries are held indirectly and have been held throughout the financial year, except as noted below.

Name	Country of incorporation	Effective % ownership	Principal activities
Life UK Healthcare Limited	England <sup>(A)</sup>	100	Holding company
*Alliance Medical Group Limited	England <sup>(A)</sup>	100	Holding company
*Alliance Medical Acquisitionco Limited	England <sup>(A)</sup>	100	Finance Services
*Alliance Medical Holdings Limited	England <sup>(A)</sup>	100	Management services
*Alliance Medical Leasing Limited	England <sup>(A)</sup>	100	Finance Services
*Alliance Medical Limited	England <sup>(A)</sup>	100	Medical diagnostic imaging services and parent of English operating subsidiaries
*Alliance Medical Radiopharmacy Limited	England <sup>(A)</sup>	100	Production of PET radio pharmaceuticals
*Alliance Medical Molecular Imaging Limited	England <sup>(A)</sup>	100	Production of PET radio pharmaceuticals
*Alliance Diagnostic Services Limited	England <sup>(A)</sup>	100	Medical diagnostic imaging services
*Lodestone Patient Care Limited	England <sup>(A)</sup>	100	Holding company
*Piramal Imaging Limited <sup>(2)</sup>	England <sup>(A)</sup>	100	Development and production of PET radiopharmaceuticals
*Alliance Medical Italia S.r.l.	Italy <sup>(B)</sup>	100	Management services and parent of Italian operating subsidiaries
*Alliance Medical S.r.l.	Italy <sup>(B)</sup>	100	Medical diagnostic imaging services
*Urology Diagnostic S.r.l.	Italy <sup>(B)</sup>	100	Medical diagnostic imaging services
*Alliance Medical Diagnostic S.r.l.	Italy <sup>(B)</sup>	100	Medical diagnostic imaging services

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 September 2018

**7. INVESTMENTS (continued)**

Name	Country of incorporation	Effective % ownership	Principal activities
*Radioterapia Aurelia S.r.l.	Italy <sup>(B)</sup>	67	Medical diagnostic imaging services
*Opportunity srl	Italy <sup>(C)</sup>	100	Medical diagnostic imaging services
*Laboratorio Albaro srl	Italy <sup>(C)</sup>	100	Medical diagnostic imaging services
*Il Centro srl Diagnostica e Terapia Medica	Italy <sup>(D)</sup>	100	Medical diagnostic imaging services
*Centro Polispecialistico valli Stura e Orba Srl	Italy <sup>(E)</sup>	100	Medical diagnostic imaging services
*Imed srl <sup>(1)</sup>	Italy <sup>(V)</sup>	100	Medical diagnostic imaging services
*Centro Diagnostico Castellano srl <sup>(1)</sup>	Italy <sup>(V)</sup>	100	Medical diagnostic imaging services
*Centro di Radiologia srl <sup>(1)</sup>	Italy <sup>(W)</sup>	100	Medical diagnostic imaging services
*Centro Alfa srl <sup>(3)</sup>	Italy <sup>(X)</sup>	100	Medical diagnostic imaging services
*Charter Medical Diagnostic Imaging Limited	Ireland <sup>(F)</sup>	100	Medical diagnostic imaging services
*Alliance Medical Diagnostic Imaging Limited	Ireland <sup>(F)</sup>	100	Management services and parent of Irish operating subsidiaries
*Alliance Medical Diagnostic Imaging (Northern Ireland) Limited	Ireland <sup>(F)</sup>	100	Medical diagnostic imaging services
*Barringtons MRI Limited	Ireland <sup>(G)</sup>	50	Medical diagnostic imaging services
*20/20 Imaging Limited	Ireland <sup>(H)</sup>	33	Medical diagnostic imaging services
*BSM Diagnostica Gesellschaft mbH	Austria <sup>(R)</sup>	100	Production of PET radio pharmaceuticals
*Tomovation GmbH	Germany <sup>(I)</sup>	100	Medical diagnostic imaging services
*Alliance Medical GmbH	Germany <sup>(I)</sup>	100	Medical diagnostic imaging services and parent of German operating subsidiaries
*Life Radiopharma f-con GmbH	Germany <sup>(N)</sup>	100	Production of PET radio pharmaceuticals
*Life Radiopharma Bonn GmbH	Germany <sup>(O)</sup>	100	Production of PET radio pharmaceuticals
*Life Radiopharma Berlin GmbH	Germany <sup>(Q)</sup>	100	Production of PET radio pharmaceuticals
*Life Molecular Imaging GmbH <sup>(2)</sup>	Germany <sup>(S)</sup>	100	Development and production of PET radio pharmaceuticals
*Alliance Medical BV	Holland <sup>(J)</sup>	100	Medical diagnostic imaging services
*Life Radiopharma Warszawa SP Zoo	Poland <sup>(P)</sup>	100	Production of PET radio pharmaceuticals
*Alliance-Servicos Diagnosticos por Imagen Unipessoal LDA	Portugal <sup>(K)</sup>	100	Dormant company
*Imagen Medical Digital Servicios Diagnosticos S.A.	Spain <sup>(L)</sup>	80	Medical diagnostic imaging services
*Alliance Medical La Rioja S.L.	Spain <sup>(M)</sup>	100	Medical diagnostic imaging services
*Life Molecular Imaging SA <sup>(2)</sup>	Switzerland <sup>(T)</sup>	100	Development and production of PET radio pharmaceuticals
*Life Molecular Imaging Inc <sup>(4)</sup>	USA <sup>(U)</sup>	100	Development and production of PET radio pharmaceuticals

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

## 7. INVESTMENTS (continued)

\*held indirectly

<sup>(1)</sup> Acquired 16 March 2018<sup>(2)</sup> Acquired 25 June 2018<sup>(3)</sup> Acquired 5 September 2018<sup>(4)</sup> Incorporated on 5 July 2018

The registered offices of the investments are as follows:

- (A) Icen Centre, Warwick Technology Park, Warwick, Warwickshire, CV34 6DA, UK
- (B) Via G. Mameli 42/A, 20851, Lissone, Italy
- (C) Via Paolo Boselli 32/6, 16146, Genova, Italy
- (D) Piazza Dante 9/10, 16121, Genova, Italy
- (E) Via Vallecaldà 45, 16013, Campo Ligure, Italy
- (F) Portal House, Loughmore Avenue, Raheen Business Park, Limerick, Ireland
- (G) Barringtons Hospital, Georges Quay, Limerick Ireland
- (H) 82 North Main Street, Bandon, Co. Cork, Ireland
- (I) Westring 168, 44575 Castrop-Rauxel, Germany
- (J) PO Box 1768, NL-3800 BT Amersfoort, Netherlands
- (K) Avda. Antonio Augusto de Aguiar, 150-5 Dto. 1050-022 Lisboa, Portugal
- (L) Calle Illà, Num. 52 Planta Bajo. 08202 Sabadell, Barcelona, Spain
- (M) Avda. Portugal, Num. 23 Planta 1, Despacho 2, 26001 Logrono, Spain
- (N) Nic.-Aug.-Otto-Str. 7a, D-12489, Berlin, Germany
- (O) Spessartstr. 9, D-53119 Bonn, Germany
- (P) Ul. Szeligowska 3, PL-05-850 Szeligi, Poland
- (Q) Max-Planck-Strabe 4, D-12489 Berlin, Germany
- (R) Alser strasse 25, A-1080 Wien, Austria
- (S) Tegeler Strasse 6-7, 13353 Berlin, Germany
- (T) 13 Route de l'Ecole, 1753 Matran, Switzerland
- (U) C/o The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801, New Castle County, USA.
- (V) Via Alfieri 13, 35125 Padova, Italy
- (W) Via Zenson di Piave, 31100 Treviso, Italy
- (X) Via Bellini 174, 41121 Modena, Italy

## 8. DEBTORS

## a) Amounts falling due after more than one year

	2018	2017
	£000	£000
Amounts owed by Group undertakings	280,646	-

Amounts owed by Group undertakings falling due after more than one year comprises £32,977,000 (2017: £nil) which is unsecured, interest-bearing at Euribor plus a margin of 2.85% and which is repayable as agreed between the parties in writing but not before 20 November 2025 unless otherwise agreed by both parties, and £247,669,000 (2017: £nil) which is unsecured, interest-bearing at LIBOR plus a margin of 2.2% and which is repayable as agreed between the parties in writing, which is anticipated to be not before December 2022.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 September 2018

**8. DEBTORS (continued)**

**b) Amounts falling due within one year**

	2018 £000	2017 £000
Amounts owed by Group undertakings	43,741	41,377

Amounts owed by Group undertakings falling due within one year of £43,741,000 (2017: £41,377,000) are unsecured, interest free and repayable on demand.

**9. CREDITORS**

**a) Amounts falling due after more than one year**

	2018 £000	2017 £000
Contingent consideration	-	39,999
Liability in respect of share based payments	224	3,045
Bank loans	285,949	-
	<u>286,173</u>	<u>43,044</u>

See notes 4 and 7 for further details on the contingent consideration and liability in respect of share based payments.

**b) Amounts falling due within one year**

	2018 £000	2017 £000
Accrued charges	711	-
Bank loans	32,977	-
	<u>33,688</u>	<u>-</u>

**c) Bank loans**

		2018 £000	2017 £000
<b>Repayment date</b>	<b>Interest rate</b>		
November 2020	LIBOR + 2.20%	62,500	-
November 2022	LIBOR + 2.50%	62,500	-
November 2020	Euribor + 2.00%	61,275	-
November 2022	Euribor + 2.30%	61,274	-
November 2022	LIBOR + 2.35%	38,400	-
Total bank loans falling due after more than one year		<u>285,949</u>	<u>-</u>
November 2018	Euribor + 1.75%	32,977	-
Total bank loans		<u>318,926</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 September 2018

**9. CREDITORS (continued)****c) Bank loans (continued)**

The facility that falls due for repayment in November 2018 was refinanced in December 2018 for a further 12 months. No instalment payments are required on the above facilities.

**10. CALLED UP SHARE CAPITAL**

	2018 No.	2018 £000	2017 No.	2017 £000
Ordinary shares of 1p each				
Authorised	53,914,070,400	539,141	53,914,070,400	539,141
Allotted, called up and fully paid	53,914,070,400	539,141	53,914,070,400	539,141

There are no restrictions on the payment of dividends and the repayment of capital.

**11. RELATED PARTY TRANSACTIONS**

As disclosed in notes 4 and 7 to the accounts, the company had liabilities in respect of the B shares and has liabilities in respect of the C shares held by key management in Life UK Healthcare, a subsidiary of the company. During the year the liability in respect of the B shares was settled at £1.082 per share. As at 30 September 2018 the total liability due to key management was £224,000 (2017: £43,044,000) and the credit recognised was £6,950,000 (2017: charge of £6,842,000).

**12. PARENT UNDERTAKINGS**

The immediate parent company is Life Healthcare International Proprietary Limited and the ultimate parent undertaking is Life Healthcare Group Holdings Limited. The largest and smallest group, for which group financial statements are drawn up is Life Healthcare Group Holdings Limited, registered in South Africa. The financial statements can be obtained by writing to the Group Secretary at Oxford Manor, 21 Chaplin Road, Illovo, Gauteng, South Africa, 2196.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 30 September 2018

**13. FIRST TIME ADOPTION OF FRS 101 "REDUCED DISCLOSURE FRAMEWORK"**

	As previously stated 30 September 2017 £000	Effect of transition 30 September 2017 £000	FRS 101 (as restated) 30 September 2017 £000
<b>FIXED ASSETS</b>			
Investments	537,763	(3,812)	533,951
	<u>537,763</u>	<u>(3,812)</u>	<u>533,951</u>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	41,377	-	41,377
	<u>41,377</u>	<u>-</u>	<u>41,377</u>
<b>TOTAL ASSETS</b>	<u>579,140</u>	<u>(3,812)</u>	<u>575,328</u>
<b>CREDITORS: amounts falling due after more than one year</b>	<u>(43,044)</u>	<u>-</u>	<u>(43,044)</u>
<b>NET ASSETS</b>	<u>536,096</u>	<u>(3,812)</u>	<u>532,284</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	539,141	-	539,141
Profit and loss account	(3,045)	(3,812)	(6,857)
<b>TOTAL SHAREHOLDERS' FUNDS</b>	<u>536,096</u>	<u>(3,812)</u>	<u>532,284</u>



**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 September 2018

**13. FIRST TIME ADOPTION OF FRS 101 "REDUCED DISCLOSURE FRAMEWORK" (continued)**

	As previously stated 30 September 2017 £000	Effect of transition 30 September 2017 £000	FRS 101 (as restated) 30 September 2017 £000
Administrative expenses	(3,045)	(3,812)	(6,857)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>(3,045)</b>	<b>(3,812)</b>	<b>(6,857)</b>
Tax on loss on ordinary activities			
<b>LOSS FOR THE FINANCIAL PERIOD</b>	<b>(3,045)</b>	<b>(3,812)</b>	<b>(6,857)</b>

The only adjustment required to transition to FRS 101 "Reduced Disclosure Framework" relates to the liability held by the Company in respect of the obligation to repurchase the B shares held by management. In substance, this liability is treated as contingent consideration and therefore under FRS 102 "The Reporting Standard applicable in the UK and Republic of Ireland" changes to the estimate of the settlement value were subsequently shown as an increase in the cost of investment. Under FRS 101 revisions to contingent consideration are recognised in the profit and loss account and therefore the impact on the period ended 30 September 2017 is to increase the loss by £3,812,000 and decrease investments and net assets by the equivalent amount.

**14. POST BALANCE SHEET EVENTS**

In December 2018 the Company entered into credit facilities of €105,000,000 arranged by Firststrand Bank Limited acting through its Rand Merchant Bank Division (London Branch) and The Standard Bank of South Africa Limited (Isle of Man Branch). The facilities are committed for one year and replaced the short term funding in the Company and will be used to finance future growth in the Alliance Medical Group.

On 21 December 2018, Alliance Medical Ltd, a subsidiary of Life UK Holdco Ltd acquired the entire share capital of European Scanning Centre Limited, the principle activity of which is to provide diagnostic medical imaging services, for an initial consideration of £10,702,000.