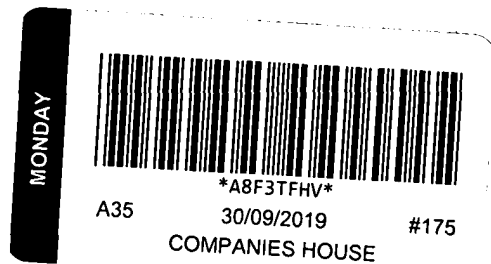


**United Medical Enterprises Group LLP**

**Annual Report and Financial Statements**

**For the year ended 31 December 2018**



# United Medical Enterprises Group LLP

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# **United Medical Enterprises Group LLP**

## **Officers and professional advisers**

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**Limited Liability Partnership Registration No:** OC333533

### **Designated Members**

United Medical Enterprises Group Limited BC343764 (Economic Member)

United Medical Enterprises Group (UK) Limited (Managing Member)

### **Registered Office**

27 Harley Street

London

W1G 9QP

### **Bankers**

HSBC Bank plc

The Boulevard

Crawley

West

Sussex

RH10 1UT

### **Solicitors**

Fieldfisher

Riverbank House

2 Swan Lane

London

EC4R 3TT

### **Independent Auditor**

PKF Littlejohn LLP

Chartered Accountants and Statutory Auditor

15 Westferry Circus

Canary Wharf

London

E14 4HD

# United Medical Enterprises Group LLP

## Members' report

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The members present their annual report, together with the financial statements and auditor's report, for the year ended 31 December 2018.

### Principal Activity

The principal activity of United Medical Enterprises Group LLP is to act as a holding company. During the year, the principal activities of the other entities within the group were the provision of services to or investment in healthcare services & facilities, and diagnostics & imaging. This included, but was not limited to, the medical sector, as determined by the members of the Limited Liability Partnership.

The subsidiary and related company undertakings principally affecting the results and net assets of the Group in the year are listed in note 22 of the financial statements.

### Review of business

The Group's results for the financial year are set out in the profit and loss account on page 7.

Despite the current uncertain economic environment and tough market conditions, the members are satisfied with the progress made by the Group in developing the out-patient clinics and imaging services and are confident that this business will continue to develop and grow.

Business development, investment and expansion plans of the core Harley Street business are already in progress.

The economic member has committed funds for a £11M expansion, involving the move to a larger centre on Harley Street, as well as two additional centres.

The members expect that the result of these changes will be for the group to become profitable again in future periods.

### Basis of preparation - Going concern

The Group continues to have net current assets. The £11M investment by the economic member will be used to purchase fixed assets, which will strengthen the balance sheet as a whole.

After making enquiries, the members have a reasonable expectation that the limited liability partnership (the "LLP") and the Group have adequate resources to continue in operational existence for the foreseeable future. The LLP has received a letter of support from its immediate parent entity, United Medical Enterprises Group Limited, stating that it will not seek repayment of amounts currently made available through loan notes and intercompany balances owed to it for a period of thirteen months from the signing of these Financial Statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in the financial statements.

### Post balance sheet events

Post balance sheet events are as detailed in note 21.

### Financial risk management

The Group's activities expose it to a number of financial risks including interest rate risk, credit risk and liquidity risk. The use of financial derivatives is governed by the Group's policies to manage these risks. The Group does not use derivative financial instruments for speculative purposes.

### Interest rate risk

The Group's activities expose it primarily to financial risks of changes in interest rates. Prior to the PFI sale, the Group used interest rate swap contracts which hedged these exposures by the use of fixed funding rates, plus a margin.

# United Medical Enterprises Group LLP

## Members' report (continued)

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### Credit risk

The Group's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful debts. An allowance for impairment is made where there is an identified loss which, based on previous experience, is evidence of a reduction in the recoverability of the receivables.

The credit risk on liquid funds is limited because the investments are with banks of high credit standing. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

### Liquidity risk

The Group adopts a prudent approach to liquidity management by endeavouring to maintain sufficient cash and liquid resources to meet its obligations as they fall due. In order to maintain liquidity, to ensure that sufficient funds are available for ongoing operations and future developments, the Group uses a mixture of long-term and short-term debt finance.

### Designated members

The designated members who served the LLP throughout the year and to the date of this report were as follows:

United Medical Enterprises Group Limited BC343764 (Economic Member)

United Medical Enterprises Group (UK) Limited (Managing Member)

### Members' drawings and the subscription and repayment of members' capital

The members decide on the level and timing of profit distributions after taking into account the LLP's cash requirements on operating and investment activities. Any drawings or on-account profit distributions are shown in debtors. Unallocated profits are shown in the "Members' other reserve" and distributed on the basis set out in Note 1, Accounting Policies.

The capital requirements of the LLP are determined by the members and renewed regularly. Certain members are required to subscribe a proportion of this capital. The amount of capital subscribed by each member is linked to the status of the member. Members' capital is only repayable following the termination of membership or at the discretion of the Economic Member, United Medical Enterprises Group Limited BC343764.

### Auditor

The LLP's auditor, PKF Littlejohn LLP, have indicated their willingness to continue in office and, a resolution proposing their reappointment will be put to the General Meeting.

### Statement of members' responsibilities in respect of the financial statements

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

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The financial statements are required by law to give a true and fair view of the state of affairs of the LLP and of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Members and signed on their behalf by the Management Committee.



N Bird

For and on behalf of United Medical Enterprises Group (UK) Limited  
Managing Member

Date: 26 SEPTEMBER 2019

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITED MEDICAL ENTERPRISES GROUP LLP**

### **Opinion**

We have audited the financial statements of United Medical Enterprises Group LLP (the 'parent limited liability partnership') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Limited Liability Partnership Balance Sheets, the Consolidated and Parent Limited Liability Partnership Statement of Changes in Members' Interests, the Consolidated and Parent Limited Liability Partnership Statements of Cash Flows 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 group's and of the parent limited liability partnership's affairs as at 31 December 2018 and of the group's loss 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 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

### **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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent limited liability partnership 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 members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent limited liability partnership'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 other information comprises the information included in the members' report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information. Our opinion on the group and parent limited liability partnership financial statements

does not cover the other information and, 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.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent limited liability partnership financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of members**

As explained more fully in the members' responsibilities statement, the members are responsible for the preparation of the group and parent limited liability partnership financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members 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 group and parent limited liability partnership financial statements, the members are responsible for assessing the group's and the parent limited liability partnership'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 members either intend to liquidate the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

### **Auditor's 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 auditor's 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 Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships by

the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

*pkf littlejohn LLP*  
**Timothy Herbert (Senior Statutory Auditor)**  
**For and on behalf of PKF Littlejohn LLP**  
**Statutory Auditor**

15 Westferry Circus  
Canary Wharf  
London E14 4HD

*30<sup>th</sup> September 2019*



# United Medical Enterprises Group LLP

Consolidated profit and loss account  
For the year ended 31 December 2018

	Notes	2018		2017	
		Continuing Operations £	Total £	Continuing Operations £	Discontinued Operations £
Turnover	2	4,857,878	4,857,878	4,599,750	4,471,519
Cost of sales		<u>(1,609,326)</u>	<u>(1,609,326)</u>	<u>(1,212,205)</u>	<u>(1,545,981)</u>
Gross profit		3,248,552	3,248,552	3,387,545	2,925,538
Net operating expenses					
Non-exceptional operating expenses		<u>(4,730,921)</u>	<u>(4,730,921)</u>	<u>(4,173,172)</u>	<u>(1,274,418)</u>
Exceptional income: Sale of PFI companies		-	-	-	159,845
Group operating profit / (loss)		<u>(1,482,369)</u>	<u>(1,482,369)</u>	<u>(785,627)</u>	<u>1,810,965</u>
Share of operating profit in associates and joint ventures		<u>211,369</u>	<u>211,369</u>	<u>193,178</u>	<u>-</u>
Total operating profit / (loss): group and share of associate and joint ventures		<u>(1,271,000)</u>	<u>(1,271,000)</u>	<u>(592,449)</u>	<u>1,810,965</u>
Interest receivable and similar income	7	679,885	679,885	1,044,801	221,636
Interest payable and similar charges	8	<u>(850,580)</u>	<u>(850,580)</u>	<u>(2,849,577)</u>	<u>(1,103,035)</u>
Loss on ineffective cash flow hedge		-	-	-	-
Loss on ordinary activities before taxation	4	<u>(1,441,695)</u>	<u>(1,441,695)</u>	<u>(2,397,225)</u>	<u>929,566</u>
Tax on loss on ordinary activities	9	<u>(9,526)</u>	<u>(9,526)</u>	<u>(180,533)</u>	<u>(106,725)</u>
Loss on ordinary activities after taxation		<u>(1,451,221)</u>	<u>(1,451,221)</u>	<u>(2,577,758)</u>	<u>822,841</u>
Non-controlling interests	16	-	-	-	<u>(18,485)</u>
Loss for the financial year before members' remuneration and profit share		<u>(1,451,221)</u>	<u>(1,451,221)</u>	<u>(2,577,758)</u>	<u>804,356</u>
Loss for the financial year available for discretionary division among members		<u>(1,451,221)</u>	<u>(1,451,221)</u>	<u>(2,577,758)</u>	<u>804,356</u>

The Notes on pages 14-26 form part of these financial statements

# United Medical Enterprises Group LLP

## Consolidated Statement of Comprehensive Income For the Year ended 31 December 2018

	2018		2017		
	Continuing Operations £	Total £	Continuing Operations £	Discontinued Operations £	Total £
Loss for the financial year					
Group	(1,451,221)	(1,451,221)	(2,577,758)	804,356	(1,773,402)
Currency translation difference on foreign currency					
Net investments	(3,326)	(3,326)	(10,977)	-	(10,977)
Write-offs to P & L reserves	-	-	(299,024)	(2,702,225)	(3,001,249)
Glasgow dividend balancing adjustment	-	-	76,250	-	76,250
Total recognised losses relating to the financial year	<u>(1,454,547)</u>	<u>(1,454,547)</u>	<u>(2,811,509)</u>	<u>(1,897,869)</u>	<u>(4,709,378)</u>

# United Medical Enterprises Group LLP

## Consolidated statement of changes in members' interests For the year ended 31 December 2018

	Equity - Members' other interests		Loans and other debts due to members		Total
	Hedging Reserve	Members' capital classified as equity	Members' capital classified as a liability	Other amounts	
	£	£	£	£	£
At 1 January 2017	<u>(11,077,553)</u>	<u>(7,895,221)</u>	<u>45,515,549</u>	<u>(33,924,300)</u>	<u>(7,381,525)</u>
Allocation of prior year losses	-	7,895,221	-	(7,895,221)	-
Loss for the year	-	(1,773,402)	-	-	(1,773,402)
Currency translation difference on foreign currency net investment	-	(10,977)	-	-	(10,977)
Derivatives in disposed PFI companies	11,077,553	-	-	-	11,077,553
Glasgow dividend adjustment	-	76,250	-	-	76,250
Transfers to P & L Reserve	-	(3,001,249)	-	-	(3,001,249)
Introduced by members	-	-	-	1,626,986	1,626,986
At 31 December 2017	<u>-</u>	<u>(4,709,378)</u>	<u>45,515,549</u>	<u>(40,192,535)</u>	<u>613,636</u>
Allocation of prior year losses	-	4,709,378	-	(4,709,378)	-
Loss for the year	-	(1,451,221)	-	-	(1,451,221)
Currency translation difference on foreign currency net investment	-	(3,326)	-	-	(3,326)
Introduced by members	-	-	-	766,997	766,997
At 31 December 2018	<u>-</u>	<u>(1,454,547)</u>	<u>45,515,549</u>	<u>(44,134,916)</u>	<u>(73,914)</u>

## United Medical Enterprises Group LLP

### Partnership statement of changes in members' interests For the year ended 31 December 2018

	Members' capital classified as equity	Members' capital classified as a liability	Loans and other debts due to/(from) members	Total
	£	£	£	£
<b>At 1 January 2017</b>	<b>(3,985,821)</b>	<b>45,515,549</b>	<b>(30,264,239)</b>	<b>11,265,489</b>
Allocation of prior year losses	3,985,821	-	(3,985,821)	-
Loss for the year	(4,019,984)	-	-	(4,019,984)
Introduced by members	-	-	1,626,986	1,626,986
<b>At 31 December 2017</b>	<b>(4,019,984)</b>	<b>45,515,549</b>	<b>(32,623,074)</b>	<b>8,872,491</b>
Allocation of prior year losses	4,019,984	-	(4,019,984)	-
Loss for the year	(763,978)	-	-	(763,978)
Introduced by members	-	-	766,997	766,997
<b>At 31 December 2018</b>	<b>(763,978)</b>	<b>45,515,549</b>	<b>(35,876,061)</b>	<b>8,875,510</b>

# United Medical Enterprises Group LLP

## Consolidated balance sheet at 31 December 2018

	Notes	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets - Goodwill	10	1,886,337	2,416,744
Tangible assets	11	1,225,604	1,438,398
Investments	12	5,766,128	5,802,531
		<u>8,878,069</u>	<u>9,657,673</u>
<b>Current assets</b>			
Debtors (amounts falling due within one year)	13	1,388,851	1,200,336
Debtors (amounts falling due in greater than one year)	13	95,000	-
Cash and cash equivalents		497,748	420,533
		<u>1,981,599</u>	<u>1,620,869</u>
<b>Creditors</b> (amounts falling due within one year)	14	(1,705,971)	(1,312,809)
<b>Net current assets</b>		<u>275,628</u>	<u>308,060</u>
<b>Total assets less current liabilities</b>		9,153,697	9,965,733
<b>Creditors</b> (amounts falling due after more than one year)	14	(9,227,611)	(9,352,097)
<b>Net Assets / (Liabilities) Attributable to Members</b>		<u>(73,914)</u>	<u>613,636</u>
<b>Represented by:</b>			
<b>Loans and other debts due to members</b>			
Members' capital classified as a liability		45,515,549	45,515,549
Loans and other debts due from members		(44,134,916)	(40,192,535)
		<u>1,380,633</u>	<u>5,323,014</u>
<b>Members' other interests</b>			
Members' capital classified as equity		(1,454,547)	(4,709,378)
		<u>(1,454,547)</u>	<u>(4,709,378)</u>
<b>Total members' interest</b>		<u>(73,914)</u>	<u>613,636</u>

The financial statements of United Medical Enterprises Group LLP, registered number OC333533, were approved by the Members, authorised for issue and signed on behalf of the Members on 26 September 2019.



N Bird

For and on behalf of United Medical Enterprises Group (UK) Limited  
Managing Member

The Notes on pages 14-26 form part of these financial statements

# United Medical Enterprises Group LLP

## Limited Liability Partnership balance sheet at 31 December 2018

	Notes	2018 £	2017 £
<b>Fixed assets</b>			
Investments	12 (a)	<u>8,997,678</u>	<u>8,997,678</u>
<b>Current assets</b>			
Debtors (amounts falling due within one year)	13	42,649	18,326
Cash and cash equivalents		<u>3,697</u>	<u>5,935</u>
		46,346	24,261
<b>Creditors (amounts falling due within one year)</b>	14	<u>(168,514)</u>	<u>(149,448)</u>
<b>Net current (liabilities) / assets</b>		<u>(122,168)</u>	<u>(125,187)</u>
<b>Net Assets attributable to members</b>		<u>8,875,510</u>	<u>8,872,491</u>
<b>Represented by:</b>			
<b>Loans and other debts due to members</b>			
Members' capital classified as a liability		45,515,549	45,515,549
Loans and other debts due to members		<u>(35,876,061)</u>	<u>(32,623,074)</u>
		9,639,488	12,892,475
<b>Members' other interests</b>			
Members' capital classified as equity		<u>(763,978)</u>	<u>(4,019,984)</u>
<b>Total members' interest</b>		<u>8,875,510</u>	<u>8,872,491</u>

The LLP has taken advantage in section 408 of the Companies Act 2006 from presenting an unconsolidated profit and loss account.

The financial statements of United Medical Enterprises Group LLP, registered number OC333533, were approved by the Members, authorised for issue and signed on behalf of the Members on 26 September 2019.



N Bird

For and on behalf of United Medical Enterprises Group (UK) Limited  
Managing Member

The Notes on pages 14-26 form part of these financial statements

**United Medical Enterprises Group LLP**

**Consolidated cash flow statement  
For the year ended 31 December 2018**

	2018		2017	
	£	£	£	£
<b>Cash flows from operating activities</b>				
Operating loss for the financial year		(1,482,369)		1,025,338
Adjustments for:				
Depreciation of property, plant and equipment	626,123		1,232,107	
Amortisation of intangible assets	530,407		898,616	
Disposal of intangible assets	-		7,123,332	
Fixed assets lost in PFI sale	-		4,360,187	
Loans to Associates transferred in PFI sale	-		2,230,880	
(Increase) / decrease in trade and other receivables	(263,048)		41,598,818	
Increase / (decrease) in trade and other payables	197,818		(70,641,812)	
Other non-cash changes	(3,326)		7,477,967	
		<u>1,087,974</u>		<u>(5,719,905)</u>
<b>Cash from operations</b>		<b>(394,395)</b>		<b>(4,694,567)</b>
Interest paid		(556,171)		(2,626,978)
Taxation		-		(124,556)
<b>Net cash generated from operating activities</b>		<b>(950,566)</b>		<b>(7,446,101)</b>
<b>Cash flows from investing activities</b>				
Purchases of property, plant and equipment	(413,326)		(107,557)	
Investment in unlisted companies	-		(150,008)	
Decrease / (Increase) in short term deposits	-		1,100,816	
Interest received	666,839		789,688	
Dividends received from joint ventures	240,000		319,519	
<b>Net cash from investing activities</b>		<b>493,513</b>		<b>1,952,458</b>
<b>Cash flows from financing activities</b>				
Introduced by / (repayment to) members	766,997		11,225	
Finance lease interest repayment	(9,615)		(17,391)	
Finance lease capital repayment	(223,114)		(186,230)	
<b>Net cash generated from / (used in) financing activities</b>		<b>534,268</b>		<b>(192,396)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>77,215</b>		<b>(5,686,039)</b>
Cash and cash equivalents at beginning of year		<u>420,533</u>		<u>6,106,572</u>
Cash and cash equivalents at end of year		<u>497,748</u>		<u>420,533</u>

# United Medical Enterprises Group LLP

## Notes to the financial statements For the year ended 31 December 2018

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### 1 Accounting Policies

#### Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102") as issued in September 2015 and the requirements of the Statement of Recommended Practice Accounting by Limited Liability Partnerships (issued January 2017) and the Companies Act 2006 (as applied to LLPs).

The significant accounting policies applied in preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

#### Basis of preparation

The financial statements have been prepared under the historical cost convention, except for derivative financial instruments, which are stated at fair value.

United Medical Enterprises Group LLP is incorporated and domiciled in England. The registered office during the period was 27 Harley Street, London W1G 9QP. The financial statements are presented in sterling, which is the functional currency of the LLP.

#### Consolidation

The consolidated Financial statements incorporate the Financial statements of United Medical Enterprises Group LLP, its subsidiary undertakings, joint ventures and associates and have been prepared in accordance with applicable accounting standards under the historical cost convention, (except for derivative financial instruments). Acquisition accounting has been used to account for acquisitions.

Upon acquisition of a subsidiary, the identifiable assets and liabilities and provisions for contingent liabilities of the subsidiary are not revalued to fair value and no additional goodwill is recognised at the date the controlling interest is increased.

The accounting reference dates of certain of the Group's subsidiaries and associate undertakings are not coterminous with the Group's 31 December year end. For those companies with non-coterminous year ends, interim accounts for the relevant period to 31 December have been consolidated.

#### Going Concern

The Group continues to have net current assets. The £11M investment by the economic member will be used to purchase fixed assets, which will strengthen the balance sheet as a whole.

After making enquiries, the members have a reasonable expectation that the limited liability partnership (the "LLP") and the Group have adequate resources to continue in operational existence for the foreseeable future. The LLP has received a letter of support from its immediate parent entity, United Medical Enterprises Group Limited, stating that it will not seek repayment of amounts currently made available through loan notes and intercompany balances owed to it for a period of thirteen months from the signing of these Financial Statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### Turnover

Turnover is derived from the principal activities of the Group's subsidiary undertakings, being the provision of medical diagnostics and imaging services and, in the prior year, income derived from the delivery of services under PFI contracts. This represents the value of work done and services rendered in the financial year, excluding sales related taxes. Income is recognised at the point of delivery of services. All turnover originates in the United Kingdom.

#### Distribution of profits

The profits and losses of the partnership must be divided among the members as follows:

- a) the first £10,000 of profit shall be distributed to United Medical Enterprises Group (UK) Limited;
- b) all remaining profits are to be distributed and all losses shall be allocated to United Medical Enterprises Group Limited BC343764.

The profits and losses of the partnership allocated to a member shall be credited or debited to the members' current account when the financial statements for the year are approved by the members.

#### Foreign currencies

Transactions denominated in foreign currencies are translated into sterling on the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into sterling at the rates ruling at year-end. Exchange differences arising on the translation of the net investment in overseas subsidiary undertakings at the Balance Sheet date are taken to reserves.



# United Medical Enterprises Group LLP

## Notes to the financial statements For the year ended 31 December 2018

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### 1 Accounting Policies (continued)

#### Capitalisation of project costs and interest

Expenditure relating to legal and professional fees incurred in setting up contracts are capitalised at cost, provided the Group has reached the position of preferred provider and future profitability assessed with reasonable certainty. Any costs incurred prior to this are written off to the Profit and Loss account in accordance with relevant accounting standards. Once the projects reach financial close the costs incurred by the Group are recovered from the project companies. Where there is over recovery the surplus is written back to the Profit and Loss account, where there is under recovery the costs are shown as prepayments and amortised over the expected project contract life or over the period in which revenue is reasonably expected to accrue, whichever is the shorter. These range from 20 to 30 years in length. If at any point during the process the project looks like failing to achieve financial close the costs are written off to the Profit and Loss account.

#### Fixed asset investments

Fixed asset investments are stated at cost less provision for any impairment in value.

#### Tangible fixed assets

Tangible fixed assets, except for freehold land, are stated at cost, net of depreciation and any provision for impairment. Freehold land is held at market value, with a revaluation being performed once every three years.

Depreciation is provided on all tangible fixed assets, other than freehold land, to write off the cost less the estimated residual value by equal instalments over their estimated useful economic life as follows:

Leasehold improvements - shorter of the length of the lease and the expected useful life

Medical equipment - 3 - 15 years

Fixtures & fittings - 3 - 8 years

Land is not depreciated

#### Goodwill and intangible assets

The Group uses the purchase method to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Identifiable assets acquired and actual and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of the non controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

The useful economic life of Goodwill is thought by management to be 20 years. Therefore, it is written off over this period, on a straight line basis

Impairment write-downs are recognised when the book value exceeds the higher of net realisable value and value in use.

Identifiable intangibles other than goodwill are split out and identified separately.

#### Joint ventures and associates

Joint ventures and Associates are accounted for using the equity method. The consolidated Profit and Loss account includes the Group's share of joint ventures and associates' profits less losses while the Group's share of the net assets of the joint ventures and associates is shown in the consolidated balance sheet. If the net assets of the joint venture or associate fall below zero, no recognition of the investment is made in either the consolidated balance sheet or profit and loss account.

#### Current asset investments

Current asset investments are stated at the lower of cost and net realisable value.

# United Medical Enterprises Group LLP

## Notes to the financial statements For the year ended 31 December 2018

### 1 Accounting Policies (continued)

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#### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and, in the prior year, short term deposits. Cash at bank and short-term investments with maturity of three months or less at time of investment are classified as cash. Longer term investments are shown under current asset investments.

Cash and cash equivalents does not include those short term deposits that represent cash committed for future development projects. The Group routinely use short term bank overdraft facilities, as an integral part of their cash management policy. Therefore cash and cash equivalents in the cash flow statements are cash and deposits less bank overdrafts. Offset arrangements across group businesses have been applied to arrive at the net cash and overdraft figures.

#### Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. They are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### Derivative financial instruments

The Group has chosen to adopt sections 11 and 12 of FRS 102 in respect of measurements of financial instruments.

Derivative financial instruments are recognised at fair value.

Prior to the sale of PFI companies during the period, the LLP's subsidiaries entered into interest rate swaps and designated these as cash flow hedges. The effective part of any gain or loss on the derivative financial instrument is recognised directly in Other Comprehensive Income. Any ineffective portion of the hedge is recognised immediately in profit or loss.

When a hedging instrument expires or is sold, terminated or exercised or the entity discontinues designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedge transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the profit and loss account immediately.

#### Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. The interest element is charged to the Profit and Loss account over the period of the lease to produce a constant rate of charge on the balance of the capital repayments outstanding. Operating lease rentals payable/receivable are charged/credited to the Profit and Loss account on a straight-line basis over the period of the lease.

#### Pension costs

The amount charged to the Profit and Loss account in respect of pension costs during the year relates to the contributions made to defined contribution schemes on behalf of the employees.

#### Taxation including deferred taxation

Taxation for the Limited Liability Partnership, being the individual liability of each member, is not provided for in the Financial Statements. Current tax for the LLP's subsidiaries, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the LLP. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

# United Medical Enterprises Group LLP

## Notes to the financial statements For the year ended 31 December 2018

### 1 Accounting Policies (continued)

#### Critical accounting estimates and areas of judgement

The preparation of financial statements in conformity with FRS102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

Certain critical accounting judgements in applying the Group's accounting policies are described below:

- The charge in respect of depreciation on fixed assets is derived after determining an estimate of the asset's useful life and the expected residual value at the end of its life.  
The useful lives and residual values of the Company's tangible and intangible assets are determined at the time the asset is acquired and reviewed annually for appropriateness.
- The recognition of deferred tax assets is based on whether it is more likely than not that sufficient and suitable taxable profits will be available against which the reversal of temporary differences can be deducted.

### 2 Group turnover analysis

#### Turnover analysis

##### Diagnostics

##### PFI

##### LLP

	2018	2017
	£	£
Diagnostics	4,835,611	4,207,339
PFI	22,267	4,513,930
LLP	0	350,000
	<u>4,857,878</u>	<u>9,071,269</u>

All turnover arises from the United Kingdom.

### 3 Discontinued Operations

On 16 June 2017 UME PFI Investments Limited sold the share capital and (where applicable) loan note capital of subsidiaries Healthsource (Bromley) Holdings Limited, Caring 4 Croydon Holdings Limited, Young Herts Holdings Limited and United Medical Enterprises Limited and Joint Venture Hull Citycare (Investments) Limited to Cardale Infrastructure Investments Limited.

The results of these entities and their subsidiaries are shown in the prior year as discontinued operations.

During the prior year, the turnover of the continuing operations was £4,599,750 and the loss after tax was £2,577,758. The turnover of the discontinued operations was £4,471,519 and the profit after tax was £804,356.

### 4 Loss on ordinary activities before taxation

This is stated after charging:

#### Depreciation of tangible fixed assets -

##### Owned assets

##### Under finance lease

#### Impairment of tangible fixed assets

#### Amortisation of goodwill

#### Impairment or write-off of Goodwill

#### Loss on disposal of fixed assets

#### Operating lease charges -

##### Land and building

#### Dilapidation provision charges

#### Fees payable for the audit of parent LLP and consolidated Financial Statements

#### Fees payable for the audit of subsidiary undertakings pursuant to legislation

#### Fees payable to the auditor for other services:

##### Tax compliance

	2018	2017
	£	£
Owned assets	271,632	876,034
Under finance lease	354,491	356,073
Impairment of tangible fixed assets	-	-
Amortisation of goodwill	530,407	898,616
Impairment or write-off of Goodwill	-	7,123,332
Loss on disposal of fixed assets	-	4,398
Operating lease charges - Land and building	607,078	536,683
Dilapidation provision charges	-	-
Fees payable for the audit of parent LLP and consolidated Financial Statements	12,250	12,250
Fees payable for the audit of subsidiary undertakings pursuant to legislation	56,904	55,550
Fees payable to the auditor for other services: Tax compliance	<u>12,906</u>	<u>12,050</u>

# United Medical Enterprises Group LLP

## Notes to the financial statements For the year ended 31 December 2018

### 5 Profits of United Medical Enterprises Group LLP

Of the loss for the financial year, a loss of £763,978 (2017: £4,019,984) is dealt with in the accounts of United Medical Enterprises Group LLP. This includes £nil (2017: £30,192,163) for impairment of fixed asset investments, which is eliminated for consolidation purposes. The members have taken advantage of the exemption available under section 408 of the Companies Act 2006 and not presented a profit and loss account for the Limited Liability Partnership alone. They have also taken advantage of the exemption under FRS 102 from preparing a partnership only cash flow statement.

### 6 Members' remuneration and employee and members' information

	2018	2017
	£	£
Staff costs for the group during the year:		
Wages and salaries	1,227,990	1,123,245
Social security costs	132,374	119,979
Defined contribution pension cost	44,319	37,813
	<u>1,404,683</u>	<u>1,281,037</u>
Average monthly number of people (including executive directors) employed by the group		
	Number	Number
Development and Investment	1	2
Medical Diagnostics	26	25
	<u>27</u>	<u>27</u>
The average number of members during the year was	<u>2</u>	<u>2</u>

There were no outstanding or prepaid pension contributions at 31 December 2018 (2017: £nil).

None of the members received salaried remuneration during the year (2017 £nil).

### 7 Interest receivable and similar income

	2018	2017
	£	£
Bank interest receivable	13,046	6,247
Interest receivable on finance debtor	-	438,813
Other interest receivable	666,839	821,377
Group interest receivable	<u>679,885</u>	<u>1,266,437</u>

### 8 Interest payable and similar charges

	2018	2017
	£	£
Interest payable on bank loans and overdrafts	18,653	1,018,322
Interest payable on other loans	772,312	2,866,506
Interest payable on finance leases	9,298	15,628
Group interest and similar charges payable	<u>800,263</u>	<u>3,900,456</u>
Share of associate and joint venture interest payable	50,317	52,156
Total interest and similar charges payable	<u>850,580</u>	<u>3,952,612</u>

# United Medical Enterprises Group LLP

## Notes to the financial statements For the year ended 31 December 2018

### 9 Tax on loss on ordinary activities

	2018 £	2017 £
Current tax		
Corporation tax at 19% (2017: 19.25%)	-	354,844
Group relief		
Adjustment in respect of prior period	2,071	(65,664)
Share of associates and joint ventures		
Current year	15,479	4,719
Adjustment in respect of prior period	(6,704)	(6,536)
Total current tax charge for the year	<u>10,846</u>	<u>287,363</u>
Deferred tax		
Origination and reversal of timing differences	-	-
Share of associates and joint ventures	(1,320)	(105)
Total deferred tax	<u>(1,320)</u>	<u>(105)</u>
Tax charge on loss on ordinary activities	<u>9,526</u>	<u>287,258</u>
	2018 £	2017 £
Loss on ordinary activities before tax	<u>(1,441,695)</u>	<u>(1,467,659)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.25%)	(273,922)	(282,524)
Effects of:		
Adjustments to tax charge in respect of prior periods	(4,634)	(72,200)
Capital allowances in excess of depreciation	(18,234)	(17,202)
Other short-term timing differences	1,007	-
Expenses not deductible for tax purposes	229,868	180,856
Interest not deductible	-	546,431
Tax losses utilised	98,512	(4,619)
Share of partnership profits	(37,229)	65,188
Group relief not paid	-	(133,286)
Consortium relief receivable (not paid)	15,478	4,719
Deferred tax credit relating to timing differences	(1,320)	(105)
Total tax charge for year	<u>9,526</u>	<u>287,258</u>

The main rate of corporation tax reduced from 20% to 19% from 1 April 2017. On this basis, current tax in the prior year has been recognised at a blended rate of 19.25%.

None of the timing differences or unused tax losses have an expiry date.

During the year beginning 1 January 2019, the net reversal of deferred tax assets and liabilities is not expected to be significant.

A deferred tax asset has not been recognised for some of the group's entities in respect of timing differences relating to trading losses, depreciation in excess of capital allowances and other short term timing differences as there is insufficient evidence that the asset will be recovered. The maximum amount of the asset not recognised is £2,108,190 (2017: £2,146,293). The asset would be recovered if sufficient taxable profits were made in the future against which the losses could be offset.

The rate of UK corporation tax is scheduled to reduce to 17% from 1 April 2020.

# United Medical Enterprises Group LLP

## Notes to the financial statements For the year ended 31 December 2018

10 Intangible Fixed Assets		Positive	Negative	Total	
Group		Goodwill	Goodwill		
Cost					
At 1 January 2018		32,631,684	(304,763)	32,326,921	
Disposals		-	-	-	
At 31 December 2018		<u>32,631,684</u>	<u>(304,763)</u>	<u>32,326,921</u>	
Accumulated Amortisation					
At 1 January 2018		30,214,940	(304,763)	29,910,177	
Charge for the year		530,407	-	530,407	
At 31 December 2018		<u>30,745,347</u>	<u>(304,763)</u>	<u>30,440,584</u>	
Net book value					
At 31 December 2018		<u>1,886,337</u>	-	<u>1,886,337</u>	
At 31 December 2017		<u>2,416,744</u>	-	<u>2,416,744</u>	
11 Tangible Fixed Assets		Leasehold	Medical	Fixtures &	Total
Group		improvements	equipment	fittings	
		£	£	£	£
Cost					
At 1 January 2018		2,572,614	4,391,494	928,703	7,892,811
Additions		158,656	42,402	212,271	413,329
At 31 December 2018		<u>2,731,270</u>	<u>4,433,896</u>	<u>1,140,974</u>	<u>8,306,140</u>
Accumulated depreciation and impairment					
At 1 January 2018		1,977,545	3,697,501	779,367	6,454,413
Charge for the year		228,728	295,036	102,359	626,123
At 31 December 2018		<u>2,206,273</u>	<u>3,992,537</u>	<u>881,726</u>	<u>7,080,536</u>
Net book value					
At 31 December 2018		<u>524,997</u>	<u>441,359</u>	<u>259,248</u>	<u>1,225,604</u>
At 31 December 2017		<u>595,069</u>	<u>693,993</u>	<u>149,336</u>	<u>1,438,398</u>
Assets held under finance leases capitalised and included in tangible fixed assets:					
				2018	2017
				£	£
Net book value				423,458	777,950

During the year management has carried out an impairment review for the fixed assets carried in the LLP consolidated balance sheet. The impairment review has considered Board approved budgets and subsequent reforecasts based upon actual activity in financial year 2017 and expected future cashflows.

After performing this review, it has been decided that an impairment of £nil (2017: £nil) would be made.

# United Medical Enterprises Group LLP

Notes to the financial statements  
For the year ended 31 December 2018

12 Investments	Group		LLP	
	2018 £	2017 £	2018 £	2017 £
<b>(a) Subsidiary undertakings</b>				
Share in group undertakings				
At 1 January	-	-	98,200,047	36,155,506
Transfers	-	-	-	30,819,783
Additions	-	-	-	31,224,758
At 31 December	-	-	98,200,047	98,200,047
Provision for impairment				
At 1 January	-	-	89,202,369	36,155,506
Transfers	-	-	-	22,854,700
Charge for the year	-	-	-	30,192,163
At 31 December	-	-	89,202,369	89,202,369
Net book value				
At 31 December	-	-	8,997,678	8,997,678
<b>(b) Interests in joint ventures</b>				
At 1 January	402,777	452,708	-	-
Movement	(36,403)	(49,931)	-	-
At 31 December	366,374	402,777	-	-
<b>(c) Associates</b>				
Loans to associates	4,849,746	4,849,746	-	-
	4,849,746	4,849,746	-	-
<b>(d) Investment properties</b>				
Valuation				
At 1 January	400,000	-	-	-
Transfers from tangible fixed assets	-	400,000	-	-
At 31 December	400,000	400,000	-	-
<b>(e) Other Investments</b>				
Cost and Net Book Value				
At 1 January	150,008	-	-	-
Additions	-	150,008	-	-
Disposals	-	-	-	-
At 31 December	150,008	150,008	-	-
<b>Total Investments</b>	<b>5,766,128</b>	<b>5,802,531</b>	<b>-</b>	<b>-</b>

During the prior year, UME Investment Co. Limited purchased 5,846 ordinary £1 shares of unlisted company LiveSmart UK Limited for consideration of £150,008.

The subsidiary and related company undertakings investments held in the year are listed in Note 22 of the financial statements.

Investment property consists of land, which is carried at cost and reviewed for impairment. The carrying value was written down in previous years, based on an independent third party valuation and offers made to acquire the land. The directors have carried out a desk top valuation based on relevant market data and continuing interest shown in the asset. The directors are satisfied that no further impairment in the land has arisen. On an historical cost basis the land would be valued at £642,014 (2017: £642,014).

# United Medical Enterprises Group LLP

## Notes to the financial statements For the year ended 31 December 2018

### 12 Investments (continued)

During the year management has carried out an impairment review for the fixed asset investments carried in the LLP balance sheet. The impairment review has considered Board approved budgets and subsequent reforecasts based upon actual activity in financial year 2018 and the twenty year plan for 2019 to 2038.

After performing this review, it has been decided that an impairment of £nil (2017: £30,192,163) would be made.

The following information is given in respect of the Group's share of joint ventures:

	Joint Ventures	
	2018 £	2017 £
Turnover	709,891	729,926
Profit before taxation	211,053	191,415
Taxation	(7,455)	1,923
Profit after taxation	203,598	193,338
Fixed assets	114,981	147,261
Current assets	364,923	437,391
Liabilities due within one year	(113,529)	(181,875)

See Note 22 for details of investments in subsidiaries, associates and joint ventures

### 13 Debtors

	Group		LLP	
	2018 £	2017 £	2018 £	2017 £
<b>Amounts falling due within one year</b>				
Trade debtors	965,638	690,840	-	-
Amounts due from joint venture parties	-	17,941	-	-
Other debtors	113,515	193,536	37,220	18,326
Prepayments and accrued income	309,698	298,019	5,429	-
	<u>1,388,851</u>	<u>1,200,336</u>	<u>42,649</u>	<u>18,326</u>
<b>Amounts falling due after more than one year</b>				
Other debtors	95,000	-	-	-
	<u>95,000</u>	<u>-</u>	<u>-</u>	<u>-</u>



# United Medical Enterprises Group LLP

## Notes to the financial statements For the year ended 31 December 2018

14 Creditors	Group		LLP	
	2018	2017	2018	2017
	£	£	£	£
<b>Amounts falling due within one year</b>				
Net bank and other borrowings (note 15)	124,486	223,114	-	-
Unsecured loan notes	409,762	193,621	-	-
Trade creditors	365,527	321,286	43,937	27,358
Amounts owed to group undertakings	332,315	117,485	96,804	96,804
Corporation tax	250,190	248,119	-	-
Other tax and social security payable	53,862	53,154	-	-
Other creditors	38,971	43,484	606	5,790
Accruals and deferred income	130,858	112,546	27,167	19,496
	<u>1,705,971</u>	<u>1,312,809</u>	<u>168,514</u>	<u>149,448</u>
<b>Amounts falling due after more than one year:</b>				
Net bank and other borrowings (note 15)	8,602,611	8,727,097	-	-
Amounts owed to related parties	625,000	625,000	-	-
	<u>9,227,611</u>	<u>9,352,097</u>	<u>-</u>	<u>-</u>

15 Bank and other borrowings	Group		LLP	
	2018	2017	2018	2017
	£	£	£	£
<b>Due within one year or on demand</b>				
Bank loans and overdrafts				
Other borrowings	409,762	193,621	-	-
Finance lease obligations	124,486	223,114	-	-
	<u>534,248</u>	<u>416,735</u>	<u>-</u>	<u>-</u>
<b>Due after more than one year</b>				
Other borrowings	9,222,334	9,222,334	-	-
Finance lease obligations	5,277	129,763	-	-
	<u>9,227,611</u>	<u>9,352,097</u>	<u>-</u>	<u>-</u>
<b>Total borrowings</b>	<u>9,761,859</u>	<u>9,768,832</u>	<u>-</u>	<u>-</u>

Other borrowings relate to loan notes issued by companies within the PFI group to related parties.

The loan notes have interest rates between 7.26% and 12.71% and have terms ending between 2032 and 2040.

The minimum lease payments under finance leases fall due as follows:	2018	2017
	£	£
Less than one year	126,465	232,195
In more than one year but not more than five years	5,934	132,399
Total gross payments	132,399	364,594
Future finance charges on finance leases	(2,636)	(11,717)
	<u>129,763</u>	<u>352,877</u>

### Maturity of Financial Liabilities

The maturity profile of the carrying amount of the group's liabilities, gross of issue costs, at 31 December was as follows;

	Debt	Finance Leases	2018	2017
	£	£	£	£
Less than one year	409,762	124,486	534,248	416,735
Between one and two years	-	5,277	5,277	129,763
In more than five years	9,222,334	-	9,222,334	9,222,334
	<u>9,632,096</u>	<u>129,763</u>	<u>9,761,859</u>	<u>9,768,832</u>

# United Medical Enterprises Group LLP

## Notes to the financial statements For the year ended 31 December 2018

16 Non-controlling interest	Group	
	2018	2017
	£	£
At 1 January	-	168,870
Profit on ordinary activities after taxation	-	18,485
Disposal of subsidiary	-	(187,355)
At 31 December	-	-

17 Reconciliation in net debt	At 1 January	Cashflow	Non-cash movements	At 31
	2018			December
	£	£	£	2018
				£
Cash in hand and at bank	420,533	77,215	-	497,748
	420,533	77,215	-	497,748
Debt due within one year	(193,624)	556,171	(772,312)	(409,765)
Debt due after one year	(9,222,331)	-	-	(9,222,331)
Finance leases due within one year	(223,114)	-	98,628	(124,486)
Finance leases due after one year	(129,763)	223,114	(98,628)	(5,277)
	(9,348,299)	856,500	(772,312)	(9,264,111)

	2018	2017
	£	£
Net debt at 1 January	(9,348,297)	(56,774,005)
Increase in net cash	77,215	(5,686,039)
(Decrease) / Increase in short term deposits	-	(1,100,816)
Movement in borrowings	6,973	54,212,563
Net debt at 31 December	(9,264,109)	(9,348,297)

	2018	2017
	£	£
<b>Movement In Borrowings</b>		
<b>Debt due within one year:</b>		
Bank loans removed in PFI sale	-	(36,383,372)
Other borrowings removed in PFI sale	-	(18,267,961)
Repayment of part of other borrowings	216,141	-
New unsecured other borrowings	-	625,000
New secured bank loan	-	-
	216,141	(54,026,333)
<b>Debt due after one year:</b>		
Capital element of finance lease payment	(223,114)	(186,230)
Movement in borrowings	(6,973)	(54,212,563)

## United Medical Enterprises Group LLP

### Notes to the financial statements For the year ended 31 December 2018

#### 18 Operating Lease Commitments

At 31 December 2018 the group has lease agreements in respect of properties and plant and equipment which extend over a number of years.

	2018	2017
	Property £	Property £
Future minimum payments under non cancellable operating leases expiring:		
Within one to five years	<u>1,356,615</u>	<u>1,498,385</u>

#### 19 Contingent Liabilities

On 16 June 2017 the LLP gave a third party (limited recourse) charge over the shares of UME PFI Investments Holding Limited to Gravis Capital Partners LLP.

#### 20 Related Party Transactions

The Group has taken advantage of the exemption available in FRS 102 relating to the disclosure of transactions between two or more members of the Group, provided that all subsidiaries party to the transaction are wholly owned by the group, not to disclose transactions provided that the consolidated financial statements in which that subsidiary is included are publicly available. Other than these transactions, the accounts include transactions and balances with related parties as follows:

	2018 £	2017 £
Amounts due to/(from) United Medical Enterprises Group LLP from the following related parties:		
Glasgow Healthcare Facilities Limited	4,849,746	4,849,746
United Medical Enterprises Group Limited BC343764**	<u>(20,405,529)</u>	<u>(19,638,532)</u>
	<u>(15,555,783)</u>	<u>(14,788,786)</u>
 Meriden Hospital Advanced Imaging Centre Limited	 -	 (666)
Amounts due to UME Diagnostics Limited * from the following related parties:		
Meriden Hospital Advanced Imaging Centre Limited	14,904	14,690
Amounts due from Harley Street Medical Centre LLP* to the following related parties:		
Meriden Hospital Advanced Imaging Centre Limited	(179,734)	(198)

\* Subsidiaries of United Medical Enterprises Group LLP

\*\* United Medical Enterprises Group Limited BC343764 is a member of United Medical Enterprises Group LLP

# United Medical Enterprises Group LLP

## Notes to the financial statements For the year ended 31 December 2018

### 21 Post Balance Sheet Events

Since the year end UME PFI Investments Limited, declared dividends to UME PFI Investments Holding Limited, a subsidiary company of United Medical Enterprises Group LLP, amounting to a total of £82,317.

### 22 Subsidiaries, Joint Ventures and Associates

At 31 December 2018 the Group held share capital in the following entities

Subsidiary, associates and joint venture undertakings	Country of Incorporation	Class of share held	Proportion held by relevant parent undertaking	Nature of business activity
UME Investment Co. Limited*	England	Ordinary shares	100% (2017: 100%)	Investment
United Medical Enterprises (Cyprus) Limited	Cyprus	Ordinary shares	100% (2017: 100%)	Health Services
UME Diagnostics Management Company Limited*	England	Ordinary shares	100% (2017: 100%)	Property
United Medical Enterprises Limited (formerly UME Land Holdings Limited)	England	Ordinary shares	100% (2017: 100%)	Dormant
UME PFI Investments Holding Limited	England	Ordinary shares	100% (2017: 100%)	Investment
UME PFI Investments Limited	England	Ordinary shares	100% (2017: 100%)	Investment
Glasgow Healthcare Facilities (Holdings) Limited ~	England	Ordinary shares	25% (2017: 25%)	Investment
Glasgow Healthcare Facilities Limited ~	England	Ordinary shares	100% (2017: 100%)	Investment
UME Diagnostics Limited	England	Ordinary shares	100% (2017: 100%)	Investment
MedTel UK Limited*	England	Ordinary shares	100% (2017: 100%)	Diagnostic Imaging
Harley Street Medical Centre LLP*	England	Ordinary shares	100% (2017: 100%)	Diagnostic Imaging
Meriden Hospital Advanced Imaging Centre Limited #	England	Ordinary shares	50% (2017: 50%)	Diagnostic Imaging

\* Have claimed exemption from audit under Sections 476 and 477 of Companies Act 2006.

# Joint ventures

~ Associates

### 23 Ultimate Parent Undertaking and Controlling Entity

The ultimate controlling entity and ultimate controlling party is United Medical Enterprises Group Limited BC343764, a company incorporated in the British Virgin Islands. United Medical Enterprises Group Limited BC343764 is the largest group in which the results of the LLP are consolidated.