

Company Registration No. 05204389 (England and Wales)

ESSEX WOODLANDS HEALTH VENTURES UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017



ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

COMPANY INFORMATION

Directors	P T Vainio G A T Ando
Company number	05204389
Registered office	Acre House 11-15 William Road London NW1 3ER United Kingdom
Auditor	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER United Kingdom
Business address	Berkeley Square House Berkeley Square London W1J 6BR
Bankers	Silicon Valley Bank Alphabeta 14-18 Finsbury Square London EC2A 1BR

ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

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ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present the strategic report for the year ended 31 December 2017.

Fair review of the business

The company made a pre-tax profit of £139,701 (2016 - £136,080) for the year on turnover of £2,790,463 (2016 - £2,842,282).

At 31 December 2017 the company had net assets of £933,299 (2016 - £831,601).

The company continues to make satisfactory progress.

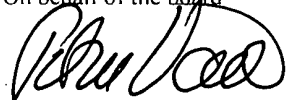
Principal risks and uncertainties

The company's sole source of turnover arises from the provision of services to its parent company, Essex Woodlands Management Inc. The company's continuing success is therefore entirely dependent on the performance of its parent company, which derives its income from the management of various venture capital and private equity funds.

Key performance indicators

In the opinion of the directors there are no Key financial or non-financial Performance Indicators whose disclosure is necessary for an understanding of the development, performance or position of the business.

On behalf of the board



P T Vainio

Director

22 March 2018

ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and accounts for the year ended 31 December 2017.

Principal activities

The principal activity of the company continues to be that of the provision of investment advisory services.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

P T Vainio
G A T Ando

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Financial instruments

There are considered to be no matters concerning financial risk which are material to the assessment of the assets, liabilities, financial position and results of the company.

Future developments

The company plans to continue to provide investment advisory services to its parent company for the foreseeable future.

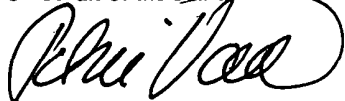
Auditor

The auditor, H W Fisher & Company, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



P T Vainio

Director

22 March 2018

ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

Opinion

We have audited the financial statements of Essex Woodlands Health Ventures UK Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

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

ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nauzer Siganporia (Senior Statutory Auditor)
for and on behalf of H W Fisher & Company

Chartered Accountants
Statutory Auditor
Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

22 March 2018

ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Turnover	3	2,790,463	2,842,282
Administrative expenses		(2,993,668)	(3,046,345)
Other operating income		341,229	337,142
Operating profit	4	138,024	133,079
Interest receivable and similar income	8	1,677	3,001
Profit before taxation		139,701	136,080
Tax on profit	9	(38,003)	(32,304)
Profit for the financial year		101,698	103,776

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

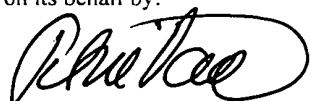
ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	10		49,623		129,441
Current assets					
Debtors falling due after more than one year	12	16,397		713,797	
Debtors falling due within one year	12	987,163		266,912	
Cash at bank and in hand		279,461		90,465	
		1,283,021		1,071,174	
Creditors: amounts falling due within one year	13	(362,145)		(335,614)	
Net current assets			920,876		735,560
Total assets less current liabilities			970,499		865,001
Provisions for liabilities	14		(37,200)		(33,400)
Net assets			933,299		831,601
Capital and reserves					
Called up share capital	17		1		1
Profit and loss reserves			933,298		831,600
Total equity			933,299		831,601

The financial statements were approved by the board of directors and authorised for issue on 22 March 2018 and are signed on its behalf by:



P T Vainio
Director

Company Registration No. 05204389

ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2016	1	727,824	727,825
Year ended 31 December 2016:			
Profit and total comprehensive income for the year	-	103,776	103,776
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2016	1	831,600	831,601
Year ended 31 December 2017:			
Profit and total comprehensive income for the year	-	101,698	101,698
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2017	1	933,298	933,299
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	20	226,471		44,946	
Income taxes paid		(43,558)		(45,199)	
Net cash inflow/(outflow) from operating activities		182,913		(253)	
Investing activities					
Purchase of tangible fixed assets		(4,970)		(3,171)	
Interest received		11,053		-	
Net cash generated from/(used in) investing activities		6,083		(3,171)	
Net cash used in financing activities		-		-	
Net increase/(decrease) in cash and cash equivalents		188,996		(3,424)	
Cash and cash equivalents at beginning of year		90,465		93,889	
Cash and cash equivalents at end of year		279,461		90,465	

ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

Essex Woodlands Health Ventures UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is Acre House, 11-15 William Road, London, United Kingdom, NW1 3ER. The principal place of business is Berkeley Square House, Berkeley Square, London, W1J 6BR.

1.1 Accounting convention

These financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents amounts receivable for services provided to the parent company, net of VAT. Revenue from the provision of services is recognised when the service has been provided, in the year which it relates to and in accordance with the agreed terms.

1.4 Tangible fixed assets

Tangible fixed assets are measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Short Leasehold Property	Over the life of the lease
Computer Equipment	Straight line over 3 years
Fixtures and Fittings	Straight line over 4 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.6 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified 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.

ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and loans from group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.10 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

The company makes payments towards employees' personal pension schemes and workplace pension schemes set up by the government. Contributions are charged to the profit and loss account as they become payable.

1.13 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The judgements, estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below:

Dilapidation provision

Provision is made for dilapidation where the lease requires the reinstatement of the premises to its original state. This requires management to make judgements as to the likely dilapidation costs the company will be liable for. The judgements, estimates and associated assumptions necessary to calculate these provisions are based on external advice and other reasonable factors, taking into account amounts recoverable from sub-tenants. The dilapidation provision is reviewed annually. The accounting policy for provisions is described in note 1.10. At the year end the carrying amount of provisions for liabilities is stated in note 14.

ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017 £	2016 £
Turnover analysed by class of business		
Rendering of services	2,790,463	2,842,282
	<u>2,790,463</u>	<u>2,842,282</u>
	2017 £	2016 £
Other significant revenue		
Interest income	1,677	3,001
Rent receivable	338,942	337,142
	<u>340,619</u>	<u>340,143</u>
	2017 £	2016 £
Turnover analysed by geographical market		
United States of America	2,790,463	2,842,282
	<u>2,790,463</u>	<u>2,842,282</u>

4 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	84,788	91,967
Operating lease charges	563,868	561,739
	<u>648,656</u>	<u>653,706</u>

5 Auditor's remuneration

	2017 £	2016 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	17,500	17,250
	<u>17,500</u>	<u>17,250</u>
For other services		
Audit-related assurance services	500	400
Taxation compliance services	6,365	9,290
Other taxation services	1,600	950
All other non-audit services	3,352	7,598
	<u>11,817</u>	<u>18,238</u>

ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017 Number	2016 Number
Office and administration	2	2
Investment advisers	4	4
	<u>6</u>	<u>6</u>

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	1,168,719	1,360,715
Social security costs	151,056	181,306
Pension costs	32,764	42,246
	<u>1,352,539</u>	<u>1,584,267</u>

7 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	<u>544,100</u>	<u>711,632</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2017 £	2016 £
Remuneration for qualifying services	<u>390,075</u>	<u>557,607</u>

The directors are considered to be the only key management personnel.

8 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Other interest income	<u>1,677</u>	<u>3,001</u>

ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

9 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	43,146	43,558
Deferred tax		
Origination and reversal of timing differences	(5,143)	(11,254)
Total tax charge	38,003	32,304

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	139,701	136,080
Expected tax charge based on the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	26,892	27,216
Tax effect of expenses that are not deductible in determining taxable profit	3,870	3,269
Depreciation on assets not qualifying for tax allowances	7,241	9,208
Introduction of deferred tax	-	(7,389)
Taxation for the year	38,003	32,304

ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

10 Tangible fixed assets

	Short Leasehold Property £	Computer Equipment £	Fixtures and Fittings £	Total £
Cost				
At 1 January 2017	800,337	87,830	333,881	1,222,048
Additions	-	4,970	-	4,970
At 31 December 2017	800,337	92,800	333,881	1,227,018
Depreciation and impairment				
At 1 January 2017	678,157	80,982	333,468	1,092,607
Depreciation charged in the year	80,034	4,341	413	84,788
At 31 December 2017	758,191	85,323	333,881	1,177,395
Carrying amount				
At 31 December 2017	42,146	7,477	-	49,623
At 31 December 2016	122,180	6,848	413	129,441

11 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	717,742	741,321
Carrying amount of financial liabilities		
Measured at amortised cost	220,938	131,055

12 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Other debtors	782,958	63,925
Prepayments and accrued income	204,205	202,987
	987,163	266,912

ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

12 Debtors (Continued)

	2017 £	2016 £
Amounts falling due after more than one year:		
Other debtors	-	702,543
Deferred tax asset (note 15)	16,397	11,254
	<u>16,397</u>	<u>713,797</u>
Total debtors	<u>1,003,560</u>	<u>980,709</u>

13 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	7,803	11,504
Amounts due to parent undertaking	176,605	92,068
Corporation tax	21,165	21,577
Other taxation and social security	65,617	128,699
Other creditors	18,817	7,483
Accruals and deferred income	72,138	74,283
	<u>362,145</u>	<u>335,614</u>

14 Provisions for liabilities

	2017 £	2016 £
Dilapidation provision	<u>37,200</u>	<u>33,400</u>

Movements on provisions:

	Dilapidation provision £
At 1 January 2017	33,400
Additional provisions in the year	<u>3,800</u>
At 31 December 2017	<u>37,200</u>

Provision is made for dilapidation where the lease requires the reinstatement of the premises to its original state. The level of provision is reviewed annually and represents management's best estimate of the company's liability taking into account amounts recoverable from sub-tenants. The dilapidation provision is not expected to be settled within 12 months of the balance sheet date.

ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2017 £	Assets 2016 £
Balances:		
Fixed asset timing differences	16,397	11,254
	<u>16,397</u>	<u>11,254</u>
Movements in the year:		2017 £
Asset at 1 January 2017		(11,254)
Credit to profit or loss		(3,987)
		<u>(15,241)</u>
Asset at 31 December 2017		<u>(15,241)</u>

The deferred tax asset relates to fixed asset timing differences in that tax deductions for the cost of certain fixed assets will be received after the cost of the fixed asset has been recognised in the profit and loss account through depreciation charges. The deferred tax asset has been calculated at a rate of 17%. The deferred tax asset is not expected to reverse within 12 months of the balance sheet date.

16 Retirement benefit schemes

	2017 £	2016 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	32,764	42,246
	<u>32,764</u>	<u>42,246</u>

The company makes payments towards employees' personal pension schemes and workplace pension schemes set up by the government.

17 Share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
1 Ordinary share of £1	1	1
	<u>1</u>	<u>1</u>

ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

18 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £	2016 £
Within one year	231,425	562,677
Between two and five years	32,229	255,596
	<u>263,654</u>	<u>818,273</u>

Lessor

The operating leases represent sublease payments from third parties. The leases expire on 25 March 2018. Rent per annum from the sublease agreements is £180,783. There are no options in place for either party to extend the lease terms. There are no contingent rent or escalation clauses.

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

	2017 £	2016 £
Within one year	41,605	180,783
Between two and five years	-	41,604
	<u>41,605</u>	<u>222,387</u>

19 Controlling party

The immediate and ultimate parent undertaking is Essex Woodlands Management Inc, a company incorporated in the United States of America. The parent undertaking does not prepare group accounts or prepare accounts available for public use.

In the opinion of the directors, there is no single ultimate controlling party.

ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

20 Cash generated from operations

	2017 £	2016 £
Profit for the year after tax	101,698	103,776
Adjustments for:		
Taxation charged	38,003	32,304
Investment income	(1,677)	(3,001)
Depreciation and impairment of tangible fixed assets	84,788	91,967
Increase in provisions	3,800	33,400
Movements in working capital:		
(Increase)/decrease in debtors	(27,084)	31,086
Increase/(decrease) in creditors	26,943	(244,586)
Cash generated from operations	<u>226,471</u>	<u>44,946</u>