

Registered number: 06035172

## MEDCENTRES PLC

### ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016



## **MEDCENTRES PLC**

### **COMPANY INFORMATION**

<b>Directors</b>	N J Arnold D Arnold I R Parker M J Arnold J W Nuttall (appointed 23 October 2015) D M Chilcott (appointed 23 October 2015)
<b>Company secretary</b>	N J Arnold
<b>Registered number</b>	06035172
<b>Registered office</b>	First Floor Highfield House Fordingbridge Hampshire SP6 1JD
<b>Independent auditors</b>	Fletcher & Partners Chartered Accountants & Statutory Auditors Crown Chambers Bridge Street Salisbury Wiltshire SP1 2LZ
<b>Bankers</b>	The Royal Bank of Scotland PLC 49-51 Old Christchurch Road Bournemouth BH1 1EG
<b>Solicitors</b>	Ash Clifford 14 Northgate Bridgwater Somerset TA6 3EU

## **MEDCENTRES PLC**

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## **MEDCENTRES PLC**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2016**

#### **Introduction**

The directors present their strategic report for the year ended 31 March 2016.

#### **Business review**

The year has been one of change. The structure of the group was changed and two subsidiaries were sold in the year. At the year end Medcentres Plc is financially strong and has net assets of £2,245,668. A receipt of a dividend from a subsidiary company helped the company record a profit after tax of £1,800,254.

#### **Principal risks and uncertainties**

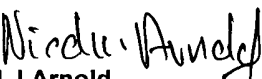
The company owns a number of investment properties, their future value may be impacted by changes in the economy,

The company provides financial support to companies in the group. The level of activity in the group companies may be impacted by NHS funding decisions or planning regulations. This makes it difficult to forecast the timing of certain projects the companies are involved in.

#### **Financial key performance indicators**

Profit after taxation: £1,800,254 (£2014: loss £165,868).

This report was approved by the board on 29 September 2016 and signed on its behalf.

  
**N J Arnold**  
Director

## **MEDCENTRES PLC**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016**

The directors present their report and the financial statements for the year ended 31 March 2016.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are 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.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £1,800,254 (2015 - loss £165,868).

No dividend has been declared in the year.

#### **Directors**

The directors who served during the year were:

N J Arnold  
D Arnold  
I R Parker  
M J Arnold  
J W Nuttall (appointed 23 October 2015)  
D M Chilcott (appointed 23 October 2015)

#### **Future developments**

The company is well positioned to undertake a number of development projects, which are expected to further strengthen the financial position of the company.

**MEDCENTRES PLC**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2016**

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

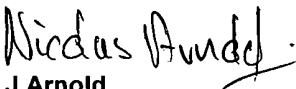
**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**Auditors**

Under section 487(2) of the Companies Act 2006, Fletcher & Partners will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 29 September 2016 and signed on its behalf.

  
**N J Arnold**  
Director

## **MEDCENTRES PLC**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MEDCENTRES PLC**

We have audited the financial statements of Medcentres PLC for the year ended 31 March 2016, set out on pages 6 to 23. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditors' 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.

#### **Respective responsibilities of Directors and Auditors**

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 and of its profit or 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion 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 those accounts and such reports have been prepared with applicable legal requirements. In the light of our 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.

**MEDCENTRES PLC**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MEDCENTRES PLC (CONTINUED)**

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

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.



James Fletcher (Senior statutory auditor)

for and on behalf of  
**Fletcher & Partners**

Chartered Accountants  
Statutory Auditors

Crown Chambers  
Bridge Street  
Salisbury  
Wiltshire  
SP1 2LZ

29 September 2016



**MEDCENTRES PLC**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 £	2015 £
Turnover	4	180,672	171,730
<b>Gross profit</b>		<u>180,672</u>	<u>171,730</u>
Administrative expenses		(987,497)	(403,606)
Exceptional administrative expenses		(21,345)	-
Investment property revaluation gains		-	93,550
Other operating charges		-	(63,500)
<b>Operating loss</b>	5	<u>(828,170)</u>	<u>(201,826)</u>
Income from shares in group undertakings		2,710,000	71,190
Interest receivable and similar income	8	22,080	41,787
Interest payable and expenses	9	(78,691)	(77,019)
<b>Profit/(loss) before tax</b>		<u>1,825,219</u>	<u>(165,868)</u>
Tax on profit/(loss)	10	(24,965)	-
<b>Profit/(loss) for the year</b>		<u><u>1,800,254</u></u>	<u><u>(165,868)</u></u>

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

There were no other comprehensive income for 2016 (2015:£NIL).

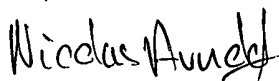
The notes on pages 11 to 23 form part of these financial statements.

**MEDCENTRES PLC**  
**REGISTERED NUMBER: 06035172**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2016**

	Note	£	2016 £	£	2015 £
<b>Fixed assets</b>					
Tangible assets	12		88,388		142,204
Investments	13		210,692		930,792
Investment property	14		1,722,134		1,060,000
			<u>2,021,214</u>		<u>2,132,996</u>
<b>Current assets</b>					
Debtors: amounts falling due within one year	15	1,772,724		2,173,004	
Cash at bank and in hand	16	229,307		14,338	
		<u>2,002,031</u>		<u>2,187,342</u>	
Creditors: amounts falling due within one year	17	(863,038)		(1,619,014)	
<b>Net current assets</b>			<u>1,138,993</u>		<u>568,328</u>
<b>Total assets less current liabilities</b>			<u>3,160,207</u>		<u>2,701,324</u>
Creditors: amounts falling due after more than one year	18		(914,539)		(2,255,910)
<b>Net assets</b>			<u><u>2,245,668</u></u>		<u><u>445,414</u></u>
<b>Capital and reserves</b>					
Called up share capital	20		970,002		970,002
Profit and loss account	21		1,275,666		(524,588)
			<u><u>2,245,668</u></u>		<u><u>445,414</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 September 2016.



**N J Arnold**  
Director

The notes on pages 11 to 23 form part of these financial statements.

**MEDCENTRES PLC**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2016**

	Called up share capital	Investment property revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2015 (as previously stated)	970,002	93,550	(618,138)	445,414
Prior year adjustment	-	(93,550)	93,550	-
At 1 April 2015 (as restated)	<u>970,002</u>	<u>-</u>	<u>(524,588)</u>	<u>445,414</u>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	1,800,254	1,800,254
<b>Other comprehensive income for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>-</u>	<u>1,800,254</u>	<u>1,800,254</u>
<b>Total transactions with owners</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>At 31 March 2016</b>	<u><u>970,002</u></u>	<u><u>-</u></u>	<u><u>1,275,666</u></u>	<u><u>2,245,668</u></u>

**MEDCENTRES PLC**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2015**

	Called up share capital	Investment property revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2014 (as previously stated)	970,002	93,550	(358,720)	704,832
Prior year adjustment	-	(93,550)	-	(93,550)
At 1 April 2014 (as restated)	970,002	-	(358,720)	611,282
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(165,868)	(165,868)
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	(165,868)	(165,868)
<b>Total transactions with owners</b>	-	-	-	-
<b>At 31 March 2015</b>	970,002	-	(524,588)	445,414

The notes on pages 11 to 23 form part of these financial statements.

**MEDCENTRES PLC**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2016**

	2016 £	2015 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	1,800,254	(165,868)
<b>Adjustments for:</b>		
Depreciation of tangible assets	37,163	36,819
Loss on disposal of tangible assets	(3,624)	-
Interest paid	78,691	77,019
Interest received	(2,732,080)	(112,977)
Decrease/(increase) in debtors	375,059	(249,106)
Decrease in amounts owed by groups	672,075	192,254
Decrease in amounts owed by associates	(646,854)	-
Increase in creditors	385,537	269,870
Increase in amounts owed to groups	(1,336,325)	225,258
Increase in amounts owed to associates	(843,146)	(85,000)
Investment property revaluation gains	-	(93,550)
<b>Net cash generated from operating activities</b>	<u>(2,213,250)</u>	<u>94,719</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(1,722)	(51,603)
Sale of tangible fixed assets	21,999	-
Purchase of investment properties	(662,134)	(260,000)
Sale of fixed asset investments	720,100	-
Interest received	22,080	41,787
Income from investments in related companies	2,710,000	71,190
<b>Net cash from investing activities</b>	<u>2,810,323</u>	<u>(198,626)</u>
<b>Cash flows from financing activities</b>		
Other new loans	-	117,623
Repayment of other loans	(328,378)	-
Interest paid	(78,691)	(77,019)
<b>Net cash used in financing activities</b>	<u>(407,069)</u>	<u>40,604</u>
Cash and cash equivalents at beginning of year	14,338	14,141
<b>Cash and cash equivalents at the end of year</b>	<u><u>204,342</u></u>	<u><u>(49,162)</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	229,307	14,338
	<u><u>229,307</u></u>	<u><u>14,338</u></u>

## **MEDCENTRES PLC**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

#### **1. General information**

Medcentres PLC is a public company limited by shares. It is not traded on any recognised stock exchanges. Its registered office is 1st Floor, Highfield House, Fordingbridge, Hampshire, SP6 1JD. The accounts are presented in Sterling, which is the functional currency of the company.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

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

Information on the impact of first-time adoption of FRS 102 is given in note 23.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### **2.2 Associates and joint ventures**

Associates and Joint Ventures are held at cost less impairment.

##### **2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

###### **Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

##### **2.4 Tangible fixed assets**

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

## MEDCENTRES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

#### 2. Accounting policies (continued)

##### 2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant & machinery	- 10-20% Straight line
Motor vehicles	- 25% Straight line
Office equipment	- 20% Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

##### 2.5 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

##### 2.6 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Income statement.

##### 2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Income statement for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

##### 2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

## **MEDCENTRES PLC**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

#### **2. Accounting policies (continued)**

##### **2.9 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

##### **2.10 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

##### **2.11 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### **2.12 Finance costs**

Finance costs are charged to the Income statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### **2.13 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

##### **2.14 Interest income**

Interest income is recognised in the Income statement using the effective interest method.

##### **2.15 Borrowing costs**

All borrowing costs are recognised in the Income statement in the year in which they are incurred.



## MEDCENTRES PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

#### 2. Accounting policies (continued)

##### 2.16 Taxation

Tax is recognised in the Income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

##### 2.17 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

#### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

No significant judgements have had to be made by management in preparing these financial statements.

The directors have also made key assumptions in the determination of the fair value of an investment properties in respect of the state of the property market in the location where the properties are situated and in respect of the range of reasonable fair value estimates of the assets. The valuation method is further described in Note 13 together with the valuation of the properties at the reporting date.

#### 4. Turnover

There are no substantially different classes of turnover for the company.

All turnover arose within the United Kingdom.

#### 5. Operating loss

The operating loss is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	37,163	36,819
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	6,950	6,200
Other operating lease rentals	49,500	49,500
	<u>93,613</u>	<u>92,519</u>

**MEDCENTRES PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**6. Employees**

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	145,876	132,766
Social security costs	10,610	8,041
	<u>156,486</u>	<u>140,807</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Administration	<u>12</u>	<u>10</u>

**7. Directors' remuneration**

	2016 £	2015 £
Directors' emoluments	25,167	10,000
	<u>25,167</u>	<u>10,000</u>

**8. Interest receivable**

	2016 £	2015 £
Interest receivable from group companies	21,963	41,777
Other interest receivable	117	10
	<u>22,080</u>	<u>41,787</u>

**9. Interest payable and similar charges**

	2016 £	2015 £
Other loan interest payable	78,691	77,019
	<u>78,691</u>	<u>77,019</u>

**MEDCENTRES PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**10. Taxation**

	2016 £	2015 £
<b>Corporation tax</b>		
Current tax on profits for the year	24,965	-
	<u>24,965</u>	<u>-</u>
<b>Total current tax</b>	<u>24,965</u>	<u>-</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	1,825,219	(165,868)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	365,044	(33,174)
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill and impairment	108,539	12,700
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2	247
Capital allowances for year in excess of depreciation	6,128	3,294
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	-	(18,710)
Capital gains	143,292	-
Dividends from UK companies	(542,000)	(14,238)
Other differences leading to an increase (decrease) in the tax charge	(1,018)	-
Group relief	(55,022)	49,881
<b>Total tax charge for the year</b>	<u>24,965</u>	<u>-</u>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**MEDCENTRES PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**11. Exceptional items**

	2016 £	2015 £
Loss on disposal of subsidiaries	21,345	-
	<u>21,345</u>	<u>-</u>

**12. Tangible fixed assets**

	Plant & machinery £	Motor vehicles £	Office equipment £	Total £
<b>Cost or valuation</b>				
At 1 April 2015	139,631	36,751	30,798	207,180
Additions	-	-	1,722	1,722
Disposals	-	(36,751)	-	(36,751)
At 31 March 2016	<u>139,631</u>	<u>-</u>	<u>32,520</u>	<u>172,151</u>
<b>Depreciation</b>				
At 1 April 2015	39,972	9,188	15,816	64,976
Charge owned for the period	21,471	9,188	6,504	37,163
Disposals	-	(18,376)	-	(18,376)
At 31 March 2016	<u>61,443</u>	<u>-</u>	<u>22,320</u>	<u>83,763</u>
<b>Net book value</b>				
At 31 March 2016	<u>78,188</u>	<u>-</u>	<u>10,200</u>	<u>88,388</u>
At 31 March 2015	<u>99,659</u>	<u>27,563</u>	<u>14,982</u>	<u>142,204</u>

# MEDCENTRES PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

### 13. Fixed asset investments

	Investments in subsidiary companies £	Investments in associates £	Unlisted investments £	Total £
<b>Cost or valuation</b>				
At 1 April 2015	792,102	64,500	74,190	930,792
Disposals	(720,100)	-	-	(720,100)
At 31 March 2016	72,002	64,500	74,190	210,692
At 31 March 2016	-	-	-	-
<b>Net book value</b>				
At 31 March 2016	72,002	64,500	74,190	210,692
At 31 March 2015	792,102	64,500	74,190	930,792

### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
MedFinancial Limited	England	Ordinary	100 %	Financial services
Primary Secondary Design Limited	England	Ordinary	80 %	Architectural services

The aggregate of the share capital and reserves as at 31 March 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
MedFinancial Limited	208,446	190,163
Primary Secondary Design Limited	(10,299)	(27,256)
	198,147	162,907

### Participating interests

The company owns 20% of the ordinary share capital of Healthcare and Community Construction Limited. The company is incorporated in England. As at 31 March 2016 the net assets were £800,025 and it recorded a loss of £211,785 after taxation.

**MEDCENTRES PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**14. Investment property**

	Investment property £
<b>Valuation</b>	
At 1 April 2015	1,060,000
Additions at cost	662,134
<b>At 31 March 2016</b>	<b>1,722,134</b>

The 2016 valuations were made by N J Arnold, on an open market value for existing use basis.

**15. Debtors**

	2016 £	2015 £
Trade debtors	48,875	118,008
Amounts owed by group undertakings	-	672,075
Amounts owed by joint ventures and associated undertakings	646,854	-
Other debtors	1,012,536	1,321,354
Prepayments and accrued income	64,459	61,567
	<b>1,772,724</b>	<b>2,173,004</b>

**16. Cash and cash equivalents**

	2016 £	2015 £
Cash at bank and in hand	229,307	14,338
	<b>229,307</b>	<b>14,338</b>

**MEDCENTRES PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**17. Creditors: Amounts falling due within one year**

	2016 £	2015 £
Other loans	-	328,378
Trade creditors	71,985	90,753
Amounts owed to group undertakings	168,283	79,608
Amounts owed to associates	-	843,146
Corporation tax	24,965	-
Taxation and social security	7,434	5,090
Other creditors	536,917	4,000
Accruals and deferred income	53,454	268,039
	<u>863,038</u>	<u>1,619,014</u>

**18. Creditors: Amounts falling due after more than one year**

	2016 £	2015 £
Amounts owed to group undertakings	-	1,425,000
Other creditors	914,539	830,910
	<u>914,539</u>	<u>2,255,910</u>

**19. Financial instruments**

	2016 £	2015 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	1,708,265	2,111,437
	<u>1,708,265</u>	<u>2,111,437</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(1,523,441)	(3,009,309)
	<u>(1,523,441)</u>	<u>(3,009,309)</u>

Financial assets measured at amortised cost comprise trade debtors, amounts due to group companies and other debtors.

Financial Liabilities measured at amortised cost comprise trade creditors, loans, amounts owed to group companies and other creditors.

**MEDCENTRES PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**20. Share capital**

	2016 £	2015 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
970,002 Ordinary shares of £1 each	970,002	970,002
	<u>970,002</u>	<u>970,002</u>

**21. Reserves**

**Investment property revaluation reserve**

Following adoption of FRS 102 the Investment property revaluation reserve was transferred to the profit and loss account. Unrealised profits on revaluation of investment properties are not distributable.

**Profit & loss account**

The profit and loss account contains the balance of accumulated profits of the company. This includes unrealised profits on the revaluation of investment properties, which are not distributable. The balance of undistributable profits as at 31 March 2016 is £93,550.

**22. Commitments under operating leases**

At 31 March 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	49,500	49,500
	<u>49,500</u>	<u>49,500</u>



**MEDCENTRES PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**23. First time adoption of FRS 102**

	Note	As previously stated 1 April 2014 £	Effect of transition 1 April 2014 £	FRS 102 (as restated) 1 April 2014 £	As previously stated 31 March 2015 £	Effect of transition 31 March 2015 £	FRS 102 (as restated) 31 March 2015 £
Fixed assets		1,828,162	-	1,828,162	2,132,996	-	2,132,996
Current assets		2,130,293	-	2,130,293	2,187,342	-	2,187,342
Creditors: amounts falling due within one year		(1,335,262)	-	(1,335,262)	(1,619,014)	-	(1,619,014)
<b>Net current assets</b>		<b>795,031</b>	<b>-</b>	<b>795,031</b>	<b>568,328</b>	<b>-</b>	<b>568,328</b>
<b>Total assets less current liabilities</b>		<b>2,623,193</b>	<b>-</b>	<b>2,623,193</b>	<b>2,701,324</b>	<b>-</b>	<b>2,701,324</b>
Creditors: amounts falling due after more than one year		(2,011,911)	-	(2,011,911)	(2,255,910)	-	(2,255,910)
<b>Net assets</b>		<b>611,282</b>	<b>-</b>	<b>611,282</b>	<b>445,414</b>	<b>-</b>	<b>445,414</b>
Capital and reserves		611,282	-	611,282	445,414	-	445,414

**MEDCENTRES PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**23. First time adoption of FRS 102 (continued)**

	Note	As previously stated 31 March 2015 £	Effect of transition 31 March 2015 £	FRS 102 (as restated) 31 March 2015 £
Turnover		171,730	-	171,730
		171,730	-	171,730
Administrative expenses		(403,606)	-	(403,606)
Other operating income		(63,500)	93,550	30,050
<b>Operating profit</b>		(295,376)	93,550	(201,826)
Income from shares in group undertakings		71,190	-	71,190
Interest receivable and similar income		41,787	-	41,787
Interest payable and similar charges		(77,019)	-	(77,019)
<b>Loss on ordinary activities after taxation and for the financial year</b>		(259,418)	93,550	(165,868)

Explanation of changes to previously reported profit and equity:

- 1 The accounts have been restated to reflect changes arising from the transition to FRS102. Gains or losses on revaluations of investment properties were previously required to be recognised in a revaluation reserve and recorded separately from the profit of a company. FRS102 requires revaluation gains or losses to be charged to the profit and loss. Consequently the restated financial statements reflect the revaluation gains as part of the profit for the year and the gain previously recorded in the investment property revaluation reserve is transferred to the profit and loss account.

**MEDCENTRES PLC**