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Financial Statements
TFHC Limited

For the year ended 31 December 2016

Registered number: 09319909

Company Information

Director	G Engleder
Company secretary	J Rouch
Registered number	09319909
Registered office	Pines Hospital 192 Altrincham Road Manchester M22 4RZ
Independent auditor	Grant Thornton UK LLP Chartered Accountants Statutory Auditor 4 Hardman Square Spinningfields Manchester M3 3EB
Bankers	Barclays Bank Plc Navigation Way Preston Lancashire PR2 2XY

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Strategic Report
For the year ended 31 December 2016

Business review

The directors are of the opinion that the trading performance was reasonable during the financial year given the change in business structure in the preceding financial period, the subsequent internal restructuring of the company and the prevailing economic conditions.

TFHC Ltd was incorporated on 20 November 2014 (under the name of BX3 Trading Limited). On 30 June 2015, a pre pack administration deal was effected and TFHC Ltd acquired the assets of TMG (CS) Limited. Since the pre pack deal, the commercial focus of the company remains on increasing both surgical and non surgical sales whilst implementing a more efficient cost base.

The cosmetic surgery industry saw a downturn in volume in 2016. This is felt to be attributable to a combination of factors including the UK's decision to leave the EU resulting in a more cautious approach to non essential spending in the second half of 2016. Internal changes such as the restructuring of sales team incentives also impacted the financial performance of the company.

2017 has seen an increased level of surgical bookings and there are several plans underway to improve the sales structure in addition to ongoing overhead cost reduction projects.

The company considers that the cosmetic surgery sector offers good growth prospects despite the industry wide challenges of economic uncertainty and competition both locally and internationally.

The turnover for the year of £33.6m (2015: 6 months to 31 December 2015 £16.2m) and EBITDA of £1.01m (2015: 6 months -£1.7m) are felt to be satisfactory.

The principal activity of the company continues to be the provision of elective cosmetic surgery and related procedures on a self pay basis.

Strategic Report
For the year ended 31 December 2016

Principal risks and uncertainties

The company's strategy is to follow an appropriate risk policy which effectively manages exposure related to the achievement of business objectives. The key risks which management face are detailed as follows:

Business performance risk
Business performance risk is the risk that the company may not perform as expected either due to internal factors or due to competitive pressures in the markets in which they operate. This risk is managed through a number of measures: authorisation of purchases and capital commitments; ensuring the appropriate management team is in place; budget and business planning; monthly reporting and variance analysis; financial controls; key performance indicators; and regular forecasting.

Business continuity risk
While there is a reliance on physical infrastructure, the company operates from a number of geographically separate facilities which helps the company to minimise the business continuity risk. The company ensures that there is sufficient IT support available should an unforeseen event occur. Management are continually implementing and reviewing business continuity and IT disaster recovery plans to ensure any increase in risk arising from future activities is managed.

Maintaining standards of care and health and safety risk
The company works with the Care Quality Commission throughout the period to ensure the highest standards of care and facilities are provided and maintained. It is committed to ensuring a caring and safe working environment. These risks are managed by the company through the strong promotion of a health and safety culture, well defined care policies and procedures and health and safety policies together with training programmes for staff.

Management development
Long-term growth of the business depends on the company's ability to remain and attract personnel of high quality. This risk is managed through development plans which are regularly reviewed and updated. These are accompanied by specific policies in areas such as training, management development and performance management.

Financial and business control
Strong financial and business controls are necessary to ensure the integrity and reliability of financial and other information on which the company relies for day to day operations, external reporting and for longer term planning. The company exercises financial and business control through a combination of qualified and experienced financial personnel, performance analysis, budgeting, cash flow forecasting and clearly defined approval limits.

Social, ethical and environmental risk
Due to the company's nature and size, no significant social, ethical or environmental risks have been identified by management.

The company has a range of insurance to manage major risks such as business continuity disruption, public liability, property disaster, employee and public liability and medical claims. Management are periodically advised by insurance professionals on adequacy of cover.

Financial instruments
The company's principal financial instruments comprise cash and certain other debtors and creditors. The main risks associated with these financial assets and liabilities are set out below.

Credit risk
Credit risk levels relating to individual debtors and creditors are monitored by management on a regular basis. Policies are aimed at minimising risk, requiring that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

Strategic Report
For the year ended 31 December 2016

Liquidity risk
The company meets its working capital requirements through cash generated in the business. It has a loan due to its parent company Aurelius ETA UK Investments Ltd of £2,001,900 which is repayable upon six month's notice.

Financial key performance indicators

The directors consider turnover and EBITDA to be the main key performance indicators (KPI's) of the business. Both KPI's are the most effective measure of progress towards achieving the company's strategy.

Future developments

The director considers that the sector in which the company operates offer long-term growth prospects.

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

G Engleder
Director
Date: 14 March 2017

Director's Report

For the year ended 31 December 2016

The director presents his report and the financial statements for the year ended 31 December 2016.

Director's responsibilities statement

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with 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 director must not approve the financial statements unless he is satisfied that he gives a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the director is required to:

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

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the company is to provide cosmetic surgery and related procedures.

Results and dividends

The profit for the year, after taxation, amounted to £351,117 (2015 - loss £1,590,305).

No dividends have been recommended in 2016 or 2015.

Directors

The director who served during the year was:

G Engleder
J Medcraft (resigned 24th August 2016)

Employee involvement

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Director's Report (continued)

For the year ended 31 December 2016

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the requirement of the job can be adequately fulfulled by a handicapped or diabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Disclosure of information to auditor

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- he 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 auditor is aware of that information.

Post balance sheet events

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

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

G Engleder
Director

Date: 14 March 2017

Grant Thornton

Independent Auditor's Report to the Members of TFHC Limited

We have audited the financial statements of TFHC Limited for the year ended 31 December 2016, which comprise the Statement of comprehensive income and retained earnings, the Statement of financial position and the related notes. The financial reporting framework that has been applied in their preparation is the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom 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 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.

Respective responsibilities of Directors and Auditor

As explained more fully in the Director's responsibilities statement as set out on page 4, the director is 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 Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 December 2016 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.

Grant Thornton

Independent Auditor's Report to the Members of TFHC Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic report and the Director's report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Strategic report and the Director's report been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

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 Director's report.

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

Grant Thornton UK LLP

Carl Williams (Senior statutory auditor)

for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Manchester
Date: 14 March 2017

Statement of Income and Retained Earnings

For the year ended 31 December 2016

	Note	2016 £	6 months to 31 December 2015 £
Turnover	4	**33,517,740**	16,248,205
Cost of sales		**(18,378,226)**	(9,659,636)
Gross profit		**15,139,514**	6,588,569
Administrative expenses		**(14,455,944)**	(8,513,264)
Operating profit/(loss)	5	**683,570**	(1,924,695)
Interest payable and expenses	8	**(110,267)**	(62,075)
Profit/(loss) on ordinary activities before taxation		**573,303**	(1,986,770)
Tax on profit/(loss) on ordinary activities	9	**(222,186)**	396,465
Profit/(loss) after tax		**351,117**	(1,590,305)
Retained earnings at the beginning of the year		**(1,590,305)**	-
		(1,590,305)	-
Profit/(loss) for the year		**351,117**	(1,590,305)
Retained earnings at the end of the year		**(1,239,188)**	(1,590,305)

The notes on pages 10 to 24 form part of these financial statements.

TFHC Limited
Registered number:09319909

Statement of Financial Position
As at 31 December 2016

	Note		2016 £		2015 £
Fixed assets					
Intangible assets	10		**757,493**		237,500
Tangible assets	11		**1,231,747**		1,324,987
			1,989,240		1,562,487
Current assets					
Stocks	12	**621,747**		609,857	
Debtors: amounts falling due within one year	13	**2,033,204**		2,049,633	
Cash at bank and in hand	14	**1,743,589**		2,211,106	
		4,398,540		4,870,596	
Creditors: amounts falling due within one year	15	**(7,352,157)**		(7,545,066)	
Net current liabilities			**(2,953,617)**		(2,674,470)
Total assets less current liabilities			**(964,377)**		(1,111,983)
Creditors: amounts falling due after more than one year	16		**(21,210)**		(76,561)
Provisions for liabilities					
Other provisions	20	**(252,601)**		(400,761)	
			(252,601)		(400,761)
Net liabilities			**(1,238,188)**		(1,589,305)
Capital and reserves					
Called up share capital			**1,000**		1,000
Profit and loss account	21		**(1,239,188)**		(1,590,305)
			(1,238,188)		(1,589,305)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 March 2017.

G Engleder
Director
The notes on pages 10 to 24 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2016

1. Company information

TFHC Limited is a company incorporated in the United Kingdom under the Companies Act 2006 and its registered office is Pines Hospital, 192 Altrincham Road, Manchester, M22 4RZ.

The principal activity of the company continues to be the provision of cosmetic surgery and related procedures.

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.

The financial statements are presented in Sterling (£).

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

The company has taken the exemption from preparing a cash flow in accordance with FRS 102 as they are a member of a group where the parent prepares consolidated accounts and a statement of cash flows, both of which are publicly available.

The following principal accounting policies have been applied:

2.2 Going concern

Notwithstanding the net current liabilities position and overall net liabilities position, the director has reviewed the company's forecasts and projections taking into consideration reasonably possible changes in trading performance and consider that the company will be able to trade with the cash facilities available to them.

The director considers that with continued parent support provided by Aurelius AG, the company has adequate resources to continue in operational existence for the foreseeable future, and therefore consider it to be appropriate to prepare the financial statements adopting the going concern basis.

2.3 Turnover

Turnover comprises revenue recognised by the company in respect of services supplied to customers during the period, exclusive of value added tax and discounts.

For both surgical and non surgical procedures, revenue is recognised at the point that the surgery / procedure is carried out. Revenue in relation to referral and private income will also be recognised on the date the procedure takes place.

2.4 Intangible assets

Intangible assets are initially recognised at cost and represent the brand and software and development costs. After recognition, under the cost model, intangible asset are measured at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets represents the brand of the company and is considered to have a useful economic life of 10 years. The software

Notes to the Financial Statements
For the year ended 31 December 2016

2. Accounting policies (continued)

development costs have not yet been amortised as the website has not yet been launched.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model 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.

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:

Leasehold property improvements	-	6%
Fixtures and fittings	-	15%
Office equipment	-	20%
Computer equipment	-	33%
Medical equipment	-	27%

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 income and retained earnings.

2.6 Leases

Rentals paid under operating leases are charged to the statement of income and retained earnings on a straight line basis over the period of the lease, unless the rental payments are structured to increase in line with expected general inflation, in which case the company recognises annual rent expense equal to amounts owed to lessor.

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

2.7 Stock

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of comprehensive income.

Notes to the Financial Statements

For the year ended 31 December 2016

2. Accounting policies (continued)

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.

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.

2.10 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.

2.11 Financial liabilities

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 and loans to related parties.

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.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of income and retained earnings. For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the statement of financial position date. Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an 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.

Notes to the Financial Statements
For the year ended 31 December 2016

2. Accounting policies (continued)

2.12 Finance costs

Finance costs are charged to the Statement of income and retained earnings 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 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of income and retained earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

Notes to the Financial Statements

For the year ended 31 December 2016

2. Accounting policies (continued)

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of income and retained earnings, 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:
-surgical provision which is based on trends, history of corrective surgery being performed and the average cost of such surgery.
-fixed assets depreciation in respect of their useful economic lives.
-intangible assets amortisation in respect of its useful economic life.

4. Turnover

An analysis of turnover by class of business is as follows:

	2016	2015
	£	£
Surgical income	**27,493,347**	12,950,286
Non surgical income	**5,214,180**	2,673,566
Referral and private income	**810,213**	624,353
	33,517,740	16,248,205

All turnover arose within the United Kingdom.

Notes to the Financial Statements

For the year ended 31 December 2016

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets- owned	**261,639**	173,169
Depreciation of tangible fixed assets- leased	**42,900**	33,000
Amortisation of intangible assets, including goodwill	**25,000**	12,500
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	**31,100**	28,500
Fees payable to the Company's auditor in respect of tax services	**5,200**	5,000
Operating leases- other	**134,901**	78,136
Operating leases - land and buildings	**1,090,905**	272,678
Loss on disposals	**25,403**	27,113
Defined contribution pension cost	**60,363**	38,693

6. Employees

Staff costs, including director's remuneration, were as follows:

	2016	2015
	£	£
Wages and salaries	**8,936,995**	6,164,714
Social security costs	**768,676**	559,017
Pension costs	**60,363**	38,693
	9,766,034	6,762,424

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

	2016	2015
	No.	No.
Administration staff	**133**	86
Medical clinics staff	**43**	39
Medical hospital staff	**88**	84
Sales staff	**57**	53
	321	262

Notes to the Financial Statements
For the year ended 31 December 2016

7. Director's remuneration

	2016 £	2015 £
Director's emoluments	**91,667**	72,000
Company contributions to defined contribution pension schemes	**3,667**	3,209
	95,334	75,209

During the year retirement benefits were accruing to 1 director (2015 - 1) in respect of defined contribution pension schemes.

8. Interest payable and similar charges

	2016 £	2015 £
Loans from group undertakings	**100,092**	50,046
Finance leases and hire purchase contracts	**10,175**	12,029
	110,267	62,075

Notes to the Financial Statements

For the year ended 31 December 2016

9. Taxation

	2016 £	2015 £
Deferred tax		
Origination and reversal of timing differences	**162,716**	(396,465)
Effect of tax rate change on opening balances	**59,470**	-
Total deferred tax	222,186	(396,465)
Taxation on profit/(loss) on ordinary activities	222,186	(396,465)

Factors affecting tax charge for the year/period

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

	2016 £	2015 £
Profit/(loss) on ordinary activities before tax	**573,303**	(1,986,770)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	**114,661**	(397,354)
Effects of:		
Expenses not deductible for tax purposes	**24,679**	889
Fixed asset differences	**52,093**	-
Adjustments to closing deferred tax to average rate of 20%	**30,753**	-
Total tax charge/ (credit) for the year/period	222,186	(396,465)

Notes to the Financial Statements

For the year ended 31 December 2016

10. Intangible assets

	Software & development costs	Brand	Total
	£	£	£
Cost			
At 1 January 2016	-	250,000	250,000
Additions	544,993	-	544,993
At 31 December 2016	544,993	250,000	794,993
Amortisation			
At 1 January 2016	-	12,500	12,500
Charge for the year	-	25,000	25,000
At 31 December 2016	-	37,500	37,500
Net book value			
At 31 December 2016	544,993	212,500	757,493
At 31 December 2015	-	237,500	237,500

Notes to the Financial Statements

For the year ended 31 December 2016

11. Tangible fixed assets

	Leasehold property improvements	Fixtures and fittings	Office equipment	Computer equipment	Medical Equipment	Total
	£	£	£	£	£	£
Cost						
At 1 January 2016	887,447	183,143	5,963	37,729	414,163	1,528,445
Additions	-	65,830	10,680	165,240	56,552	298,302
Disposals	(11,497)	(24,161)	(794)	-	(114,628)	(151,080)
At 31 December 2016	875,950	224,812	15,849	202,969	356,087	1,675,667
Depreciation						
At 1 January 2016	50,959	27,872	1,209	10,352	113,066	203,458
Charge for the year	106,002	59,025	3,203	44,425	91,884	304,539
Disposals	(2,539)	(12,461)	(319)	-	(48,758)	(64,077)
At 31 December 2016	154,422	74,436	4,093	54,777	156,192	443,920
Net book value						
At 31 December 2016	721,528	150,376	11,756	148,192	199,895	1,231,747
At 31 December 2015	836,488	155,271	4,754	27,377	301,097	1,324,987

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2016	2015
	£	£
Medical equipment	115,500	170,500
	115,500	170,500

Notes to the Financial Statements

For the year ended 31 December 2016

12. Stocks

	2016	2015
	£	£
Medical stock and supplies	**621,747**	609,857

Stock recognised in cost of sales during the year as an expense was £7,418,463 (2015- £4,952,599).

An impairment loss of £13,638 (2015- £3,948) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

13. Debtors

	2016	2015
	£	£
Trade debtors	**298,612**	652,772
Amounts owed by group undertakings	**31,983**	-
Amounts owed by related parties	**512,287**	-
Called up share capital not paid	**999**	999
Prepayments and accrued income	**1,015,044**	999,397
Deferred tax asset	**174,279**	396,465
	2,033,204	2,049,633

No impairment loss has been recognised against trade debtors during the current year or previous period.

14. Cash and cash equivalents

	2016	2015
	£	£
Cash at bank and in hand	**1,743,589**	2,211,106

Notes to the Financial Statements
For the year ended 31 December 2016

15. Creditors: Amounts falling due within one year

	2016	2015
	£	£
Payments received on account	**1,927,617**	2,479,087
Trade creditors	**1,384,631**	1,202,783
Amounts owed to group undertakings	**2,001,900**	2,033,039
Taxation and social security	**176,658**	199,487
Obligations under finance lease contracts	**36,362**	68,914
Other creditors	**196,734**	9,290
Accruals and deferred income	**1,628,255**	1,552,466
	7,352,157	7,545,066

Obligations under finance leases are secured against the assets to which they relate.

16. Creditors: Amounts falling due after more than one year

	2016	2015
	£	£
Obligations under finance leases	**21,210**	76,561
	21,210	76,561

Secured loans

Obligations under finance leases are secured against the assets to which they relate.

17. Hire purchase & finance leases

Minimum lease payments under hire purchase fall due as follows:

	2016	2015
	£	£
Within one year	**36,362**	81,354
Between 1-2 years	**21,211**	92,224
	57,573	173,578

Notes to the Financial Statements
For the year ended 31 December 2016

18. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets measured at amortised cost	**2,043,201**	2,864,877
	2,043,201	2,864,877
Financial liabilities		
Financial liabilities measured at amortised cost	**(7,196,709)**	(7,422,640)
	(7,196,709)	(7,422,640)

Financial assets measured at amortised cost comprise trade debtors, cash at bank, amounts owed by group undertakings and related parties and unpaid share capital.

Financial liabilities measured at amortised cost comprise payments received on account, trade creditors, amounts owed to group undertakings, other creditors, accruals, deferred income and finance lease obligations.

19. Deferred taxation

	2016 £
At 1 January 2016	**396,465**
Charged to the profit or loss	**(222,186)**
At 31 December 2016	**174,279**

The deferred tax asset is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	**(71,895)**	(73,020)
Tax losses carried forward	**246,174**	469,485
	174,279	396,465

Notes to the Financial Statements
For the year ended 31 December 2016

20 Provisions

	Surgical provision
	£
At 31 December 2016	400,761
Charged to the profit or loss	99,000
Utilised in year	(247,160)
	252,601

21. Reserves

Called up share capital represents the nominal value of shares that have been issued.

Profit and loss account includes all current and prior period retained profits and losses.

22. Contingent liabilities

The directors have confirmed that there were no contingent liabilities at 31 December 2016 and 31 December 2015.

23. Capital commitments

The directors have confirmed that there were capital commitments of £584,355 in relation to software costs at 31 December 2016 (2015: £Nil).

24. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund. At 31 December 2016 £8,232 (2015: £8,772) was included in other creditors in relation to pensions payable.

Notes to the Financial Statements

For the year ended 31 December 2016

25. Commitments under operating leases

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

	2016 £	2015 £
Land and buildings		
Not later than 1 year	**1,024,073**	262,203
Later than 1 year and not later than 5 years	**2,080,854**	340,443
Later than 5 years	**1,841,215**	260,458
	4,946,142	863,104

	2016 £	2015 £
Other		
Not later than 1 year	**81,217**	134,917
Later than 1 year and not later than 5 years	**79,411**	152,280
	160,628	287,197

26. Related party transactions

In accordance with FRS 102, the company has taken the exemption not to disclose related party transactions with its parent company, Aurelius ETA UK Investments Limited and other companies within the group on the grounds that it is a wholly owned subsidiary.

Key management personnel remuneration totalled £107,463 at 31 December 2016 (2015: £84,370).

27. Controlling party

The directors consider Aurelius ETA UK Investments Limited to be its immediate parent undertaking, a company incorporated in England and Wales. The ultimate parent undertaking is considered to be Aurelius AG, which is incorporated in Germnay. The smallest and largest group of undertakings for which group accounts have been prepared is headed up by Aurelius AG.