

Registered number: 10178262

MEDINET BIDCO LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**



MEDINET BIDCO LIMITED

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MEDINET BIDCO LIMITED

COMPANY INFORMATION

Directors	R Barzi C T O'Grady M Sodi D A Rose C J Lewis
Company secretary	C J Lewis
Registered number	10178262
Registered office	Arthur House Mere Green Road Second Floor Sutton Coldfield West Midlands B75 5BL
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors One Kingsway Cardiff CF10 3PW

MEDINET BIDCO LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

The directors present the Strategic Report of Medinet Bidco Limited (the "Company") for the year ended 30 September 2019.

Business review

Since incorporation the Company has acted as a holding company in the Medinet group of companies. On 25 May 2016 the Company acquired the share capital of Medinet Clinical Services Limited, a provider of medical care services.

Principal risks and uncertainties

As the Company is a holding company there are not considered to be any principal risks and uncertainties which require management.

Key performance indicators

As the Company is a holding company the directors believe that analysis using key performance indicators is not necessary or appropriate for an understanding of the development, performance or position of the business.

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



C J Lewis
Director

Date: 18 December 2019

MEDINET BIDCO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

The directors present their annual report and the audited financial statements of Medinet Bidco Limited (the "Company") for the year ended 30 September 2019.

Principal activities

The principal activity of the Company is that of a holding company.

Results and dividends

The loss for the financial year amounted to £3,150,000 (2018: £3,086,000).

The directors do not recommend the payment of a dividend (2018: £Nil).

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

R Barzi
C T O'Grady
M Sodi
D A Rose
C J Lewis (appointed 25 April 2019)
G D Mason (resigned 5 October 2018)

Future developments

The Company is expected to remain a holding company for the foreseeable future.

Financial risk management

As the Company is a holding company there are not considered to be any financial risks which require management.

Going concern

The directors believe their preparing the financial statements on the going concern basis is appropriate due to the continued financial support of Medinet Midco I Limited. The directors have received confirmation that Medinet Midco I Limited intends to support the Company for at least one year after these financial statements are signed.

Qualifying third party indemnity provisions

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

Directors' responsibilities statement

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, 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.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the 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.

Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP 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 financial statements with the registrar, whichever is earlier.

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



C J Lewis
Director

Date: 18 December 2019

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MEDINET BIDCO LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Medinet Bidco Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 30 September 2019; the Statement of Comprehensive Income, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

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

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MEDINET BIDCO LIMITED (CONTINUED)

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 September 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Jason Clarke (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff
Date: 18 December 2019

MEDINET BIDCO LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Note	2019 £000	2018 £000
Administrative expenses		(66)	(8)
Exceptional administrative expenses	6	-	(19)
Operating loss		(66)	(27)
Interest payable and similar expenses	7	(3,083)	(3,063)
Loss before taxation		(3,149)	(3,090)
Tax on loss	8	(1)	4
Loss for the financial year		(3,150)	(3,086)

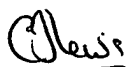
The notes on pages 11 to 19 form part of these financial statements.

MEDINET BIDCO LIMITED
REGISTERED NUMBER: 10178262

BALANCE SHEET
AS AT 30 SEPTEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Investments	9	57,665	57,665
Current assets			
Debtors	10	10	5
		<u>10</u>	<u>5</u>
Creditors: amounts falling due within one year	11	(19,634)	(11,288)
Net current liabilities		(19,624)	(11,283)
Total assets less current liabilities		38,041	46,382
Creditors: amounts falling due after more than one year	12	(27,912)	(33,104)
Provisions for liabilities			
Deferred taxation	13	(2)	(1)
Net assets		10,127	13,277
Capital and reserves			
Called up share capital	14	20,744	20,744
Profit and loss account	15	(10,617)	(7,467)
Total shareholders' funds		10,127	13,277

The financial statements on pages 8 to 19 were approved and authorised for issue by the board and were signed on its behalf by:



C J Lewis
Director

Date: 18 December 2019

The notes on pages 11 to 19 form part of these financial statements.

MEDINET BIDCO LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Called up share capital	Profit and loss account	Total shareholders' funds
	£000	£000	£000
At 1 October 2017	20,744	(4,381)	16,363
Comprehensive expense for the financial year			
Loss for the financial year	-	(3,086)	(3,086)
Total comprehensive expense for the financial year	-	(3,086)	(3,086)
At 30 September 2018 and 1 October 2018	20,744	(7,467)	13,277
Comprehensive expense for the financial year			
Loss for the financial year	-	(3,150)	(3,150)
Total comprehensive expense for the financial year	-	(3,150)	(3,150)
At 30 September 2019	20,744	(10,617)	10,127

The notes on pages 11 to 19 form part of these financial statements.

MEDINET BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

1. General information

Medinet Bidco Limited (the "Company") is incorporated in England and Wales. The address of its registered office is Arthur House, Mere Green Road, Second Floor, Sutton Coldfield, West Midlands, B75 5BL.

The principal activity of the Company is that of a holding company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, 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 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's presentational and functional currency is GBP.

The following principal accounting policies have been applied consistently throughout the year:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Medinet Midco I Limited as at 30 September 2019 and these financial statements may be obtained from Arthur House, Mere Green Road, Four Oaks, Sutton Coldfield, B75 5BL.

2.3 Going concern

The directors believe their preparing the financial statements on the going concern basis is appropriate due to the continued financial support of Medinet Midco I Limited. The directors have received confirmation that Medinet Midco I Limited intends to support the Company for at least one year after these financial statements are signed.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)

2.4 Consolidation exemption

The Company is a wholly owned subsidiary of Medinet Midco I Limited and is included in the consolidated financial statements of Medinet Midco I Limited which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

2.5 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 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.

2.7 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, 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 debtors and creditors, 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 the 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 Comprehensive Income.

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.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The Company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)

2.8 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.

2.9 Hedge accounting

The Company uses variable to fixed interest rate swaps to manage its exposure to fair value risk on its enter user text. These derivatives are measured at fair value at each Balance Sheet date.

To the extent the cash flow hedge is effective, movements in fair value are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. Any ineffective portions of those movements are recognised in profit or loss for the year.

Gains and losses on the hedging instruments and the hedged items are recognised in profit or loss for the year. When a hedged item is an unrecognised firm commitment, the cumulative hedging gain or loss on the hedged item is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

2.10 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

2.11 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.12 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 Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet 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 Balance Sheet.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge 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 Balance Sheet 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 Balance Sheet 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 Balance Sheet date.

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The directors consider that there are no significant judgments or key sources of estimation uncertainty in the preparation of these financial statements.

4. Auditors' remuneration

	2019 £000	2018 £000
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	<u>1</u>	<u>2</u>

MEDINET BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

5. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2018: £Nil).

6. Exceptional administrative expenses

	2019 £000	2018 £000
Exceptional items	-	19

Exceptional items in 2018 related to advisory fees of a one-off nature.

7. Interest payable and similar expenses

	2019 £000	2018 £000
Bank interest payable	1,817	1,808
Loans from parent undertakings	924	848
Bank fees and similar charges	8	45
Amortisation of debt issue costs	339	339
(Gains)/losses on derivative financial instruments	(5)	23
	<u>3,083</u>	<u>3,063</u>

8. Tax on loss

	2019 £000	2018 £000
Current tax		
Current tax on loss for the financial year	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	1	(4)
Total deferred tax	<u>1</u>	<u>(4)</u>
Total tax	<u>1</u>	<u>(4)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

8. Tax on loss (continued)

Factors affecting tax charge/(credit) for the year

The tax assessed for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%). The differences are explained below:

	2019	2018
	£000	£000
Loss before taxation	(3,148)	(3,090)
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(598)	(587)
Effects of:		
Transfer pricing adjustments	(243)	(141)
Group relief not paid for	743	653
Deferred tax not provided	99	71
Total tax charge/(credit) for the financial year	1	(4)

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the Balance Sheet date have been measured using this enacted tax rate and reflected in these financial statements.

MEDINET BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

9. Investments

	Investments in subsidiary companies £000
Cost	
At 1 October 2018	57,665
At 30 September 2019	<u>57,665</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Medinet Clinical Services Limited	Arthur House Mere Green Road, Second Floor, Sutton Coldfield, West Midlands, England, B75 5BL	Provision of medical care services	Ordinary	100%
Medinet Scotland Limited*	93 George Street, Edinburgh, Scotland, EH2 3ES	Dormant company	Ordinary	100%

*Shares are held indirectly

10. Debtors

	2019 £000	2018 £000
Derivative financial instruments	<u>10</u>	<u>5</u>

Derivative financial instruments - Interest rate caps

The Group has entered into two interest rate caps in order to mitigate exposure to future interest rate changes. The interest rate caps are based on principal amounts of £3,670,000 (2018: £3,670,000) and £Nil (2018: £14,680,000) and have the effect of capping the rate of LIBOR payable on bank loans at 0.9% and 0.75% respectively. The cap expires on 31 March 2021.

The fair value as at 30 September 2019 is £9,812 (2018: £4,867) and is based on the present value of future cash flows determined using market expectations for future interest rates.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

11. Creditors: amounts falling due within one year

	2019	2018
	£000	£000
Bank loans and overdrafts	2,340	2,260
Amounts owed to subsidiary undertakings	13,434	7,832
Amounts owed to parent company	3,101	-
Contingent consideration	749	749
Accruals	10	447
	19,634	11,288

Further details of Bank loans are provided in note 12.

Contingent consideration is discussed further in note 16.

12. Creditors: amounts falling due after more than one year

	2019	2018
	£000	£000
Bank loans and overdrafts	11,678	14,823
Other loans	7,901	7,771
Amounts owed to parent company	8,333	10,510
	27,912	33,104

Secured loans

Bank loans comprise the following facilities:

Term A (£3,774,201): This loan accrues interest at LIBOR + 4% and is repayable in installments up to its termination on 31 March 2021.

Term B (£10,689,786): This loan accrues interest at LIBOR + 4.5% and is repayable in full on termination on 25 April 2022.

Bank loans are secured by means of a charge over the Group's assets. The loans are stated net of loan arrangement fees of £542,060 (2018: £814,738).

The Other loan of £8,124,718 is secured by means of a secondary charge over the Group's assets, accrues interest of LIBOR + 9% and is repayable in full on its termination on 25 April 2023. The loan is stated net of loan arrangement fees of £229,149 (2018: £293,098).

MEDINET BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

13. Deferred taxation

	2019 £000
At beginning of year	1
Charged to profit or loss	1
At end of year	2

The provision for deferred taxation is made up as follows:

	2019 £000	2018 £000
Short term timing differences - trading	2	1

14. Called up share capital

	2019 £000	2018 £000
Shares classified as equity		
Allotted, called up and fully paid		
20,743,788 (2018: 20,743,788) Ordinary shares of £1.00 (2018: £ 1.00) each	20,744	20,744

15. Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the Company.

16. Contingent liabilities

Contingent consideration relates to the acquisition of Medinet Clinical Services Limited in 2016 and is payable subject to certain conditions being met. These conditions were not met during the year. These conditions may be met in the year to 30 September 2020.

17. Ultimate parent company and controlling party

The immediate parent of the Company is Medinet Midco II Limited, a company incorporated in England and Wales and a fellow subsidiary of Medinet Midco I Limited. Medinet Midco I Limited is the parent of both the smallest and the largest group to consolidate these financial statements. Consolidated financial statements for Medinet Midco I Limited are available from Arthur House, Mere Green Road, Four Oaks, Sutton Coldfield, B75 5BL.

The ultimate parent company is Medinet Topco Limited, a company incorporated in Guernsey.

The ultimate controlling party is considered to be the members of Volpi Capital LP by virtue of their controlling shareholding in Medinet Topco Limited.