

CONCORDIA HEALTH HOLDINGS LLP

**MEMBERS REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS**

REGISTERED NUMBER – OC383449

FOR THE YEAR ENDED 30 SEPTEMBER 2013

Hobsons
Chartered Accountants
Statutory Auditor
Alexandra House
43 Alexandra Street
Nottingham
NG5 1AY

TUESDAY



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24/06/2014

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COMPANIES HOUSE

CONCORDIA HEALTH HOLDINGS LLP

| | |
|--------------------|--|
| Designated members | Mr A Hurd Mr T Hurd |
| Registered Office | Alexandra House 43 Alexandra Street Nottingham NG5 1AY |
| Bankers | Lloyds TSB Market Square House Old Market Square Nottingham NG1 6FD |
| Auditor | Hobsons Chartered Accountants and Statutory Auditor Alexandra House 43 Alexandra Street Nottingham NG5 1AY |
| Registered Number | OC383449 |

CONCORDIA HEALTH HOLDINGS LLP
STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2013

Business review and future plans

The LLP group arose from a reconstruction of the Concordia Health businesses.

A strong operational infrastructure has been developed across the LLP group to enable stronger contract management across all of its services.

The portfolio of services that the LLP group delivers made significant progress in the year 2012-13. Concordia Health Ltd, a subsidiary undertaking, delivered a sound financial return across its seven practices whilst continuing to deliver strong clinical performance.

The LLP group, via Concordia Health Ltd, continued to invest in the new LLP businesses to enable their services to grow. It is anticipated that further investment will be required until the end of the financial year 2013-14.

The Board are satisfied that the new LLP businesses performed robustly, both in terms of financial and clinical results, during a period of expansion and investment in their services.

Repayment of the investment in these companies is expected to commence in the financial year 2014-15.

The Board are pleased to report that significant progress has been made since 30 September 2013 in these subsidiaries resulting in a substantial number of new contracts and locations providing these services.

Analysis of key performance indicators

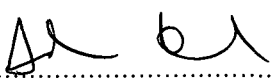
The Board confirm that the LLP group has invested significantly in developing its services during the year, and the costs of doing so are reported in the profit and loss account. The LLP group and its respective subsidiaries are now well placed to respond to new contract opportunities when circumstances allow, and the Board are satisfied that recent contract wins, together with close control over costs, will lead to a return to profitability in the foreseeable future.

Key business risks and uncertainties

The key risks and uncertainties within the group include economic and political decisions surrounding the funding of NHS services, and an expected reduction in core income for the provision of NHS General Practice contracts.

The Board actively manage this risk by closely monitoring and developing operations to enable greater time to be spent on launching additional services, such as enhanced services and extended services, in each practice.

This report was approved by the members on16/06/2014..... and signed on its behalf by


.....
Mr A Hurd
Designated member

CONCORDIA HEALTH HOLDINGS LLP

MEMBERS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2013

The members present their report together with the financial statements of the Limited Liability Partnership and its subsidiaries for the year ended 30 September 2013.

Incorporation

The Limited Liability Partnership was incorporated on 18 March 2013 as part of a group reorganisation of the Concordia Health businesses.

Principal activities

The principal activity of the Limited Liability Partnership is to act as an investment holding entity. The investments are in subsidiary undertakings whose principal activities range from the management and operation of a portfolio of medical practices (primary care) to providing secondary care services and related consultancy, mainly within the fields of ultrasound, cardiology, ear, nose and throat ('ENT'), audiology, dermatology and dentistry.

Group results

The group's trading results for the year are set out in the group profit and loss account on page 6.

Designated members

The designated members during the year were as follows:

| | |
|-----------|-------------------------|
| Mr A Hurd | Appointed 18 March 2013 |
| Mr T Hurd | Appointed 18 March 2013 |

Statement of members' responsibilities

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

Company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) the members 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 limited liability partnership and the group and of the profit or loss of the limited liability partnership and the group for that year. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the limited liability partnership and the group will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and the group and to enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008). They are also responsible for safeguarding the assets of the limited liability partnership and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CONCORDIA HEALTH HOLDINGS LLP

MEMBERS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2013 (CONTINUED)

Transactions with members

The members participate fully in the partnership's profit, share the risks and subscribe to the partnership's capital. Profits are allocated to members in the proportions set out in the Partnership Agreement, which are directly linked to the members' share of the partnership's capital.

No member is entitled to receive interest on the amount of his proportion of the capital contributions to the partnership unless otherwise agreed between the member and the management board.

Statement as to disclosure of information to auditors


In so far as the members are aware:

- there is no relevant audit information (information needed by the limited liability partnership's auditors in connection with preparing their report) of which the limited liability partnership's auditors are unaware, and
- the members have taken all of the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the limited liability partnership's auditors are aware of that information.

Strategic Report

The members have prepared a review of the business, together with a summary of the principal risks and uncertainties affecting the group, and these are detailed within the Strategic Report on page 1.

This report was approved by the Board on16/06/2014..... and signed on its behalf by



Mr A Hurd
Designated member

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONCORDIA HEALTH HOLDINGS LLP

We have audited the group and partnership financial statements of Concordia Health Holdings LLP for the year ended 30 September 2013 which comprise the group profit and loss account, the group and limited liability partnership balance sheets, the group cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the Statement of Members' Responsibilities set out on page 2, the members 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 Auditing Practices Board'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 limited liability partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Members' 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

In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's and group's affairs as at 30 September 2013 and of the group's result and cash flow for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Other matters

In forming our opinion on the financial statements, which is not qualified, we noted that the comparative figures report the results of certain subsidiary companies that formed part of a small group for the period ended 30 September 2012 and did not require an audit. We express no opinion on the comparative figures.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CONCORDIA HEALTH HOLDINGS LLP (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 as applied to limited liability partnership's 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
- we have not received all the information and explanations we require for our audit.

**Martin Berry BA FCA (Senior Statutory Auditor)
For and on behalf of Hobsons
Chartered Accountants and
Statutory Auditor
Alexandra House
43 Alexandra Street
Nottingham
NG5 1AY**

23 June 2014

CONCORDIA HEALTH HOLDINGS LLP

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2013

| | Note | 2013 | 2012 |
|--|-------------|------------------|------------------|
| | | £ | £ |
| Turnover - continuing operations | 2 | 8,560,054 | 7,801,441 |
| Cost of sales | | (6,164,834) | (5,530,345) |
| Gross profit | | 2,395,220 | 2,271,096 |
| Premises costs | | (1,294,446) | (1,065,396) |
| Administrative expenses | | (2,189,255) | (1,899,266) |
| Exceptional administrative income | 3 | 25,000 | - |
| Exceptional administrative expenses | 3 | (55,708) | - |
| Other operating income | | 1,011,156 | 824,894 |
| Operating (loss)/profit - continuing operations | 3 | (108,033) | 131,328 |
| Investment income – listed investments | | 5,173 | - |
| Interest receivable | 4 | 2 | 47 |
| Interest payable | 5 | (6,937) | - |
| (Loss)/profit on ordinary activities before taxation | | (109,795) | 131,375 |
| Tax on (loss)/profit on ordinary activities | 6 | (82,531) | (58,759) |
| (Loss)/profit on ordinary activities after taxation | | (192,326) | 72,616 |
| Attributable to minority interests | 20 | (3,240) | (12,359) |
| (Loss)/profit for the financial year before members' remuneration and profit shares | | (195,566) | 60,257 |
| Members' remuneration charges as an expense | | - | - |
| (Loss)/profit for the year available for discretionary division | | (195,566) | 60,257 |


There were no recognised gains or losses in either the current or preceding year other than those disclosed in the profit and loss account, and therefore no separate statement of recognised gains and losses has been prepared.

The notes on pages 10 to 23 form part of these financial statements.

CONCORDIA HEALTH HOLDINGS LLP
GROUP BALANCE SHEET AS AT 30 SEPTEMBER 2013

| | Note | 2013 | | 2012 | |
|--|------|------------------|----------------|------------------|------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 10 | | 328,928 | | 225,626 |
| Investments | 11 | | 250,000 | | 500,000 |
| | | | <u>578,928</u> | | <u>725,626</u> |
| Current assets | | | | | |
| Stocks | 12 | 54,066 | | 59,916 | |
| Debtors | 13 | 1,553,873 | | 1,287,692 | |
| Cash at bank and in hand | | 477,302 | | 463,154 | |
| | | <u>2,085,241</u> | | <u>1,810,762</u> | |
| Creditors | | | | | |
| Amounts falling due within one year | 14 | (1,723,621) | | (1,473,250) | |
| Net current assets | | | <u>361,620</u> | | <u>337,512</u> |
| Total assets less current liabilities | | | <u>940,548</u> | | <u>1,063,138</u> |
| Creditors | | | | | |
| Amounts falling due after one year | 15 | | (305,182) | | (245,315) |
| Provision for liabilities | 18 | | (27,790) | | (17,421) |
| Net assets | | | <u>607,576</u> | | <u>800,402</u> |
| Members' capital – due over one year | 19 | | 1,082 | | 1,082 |
| Other reserves | 19 | | 429,536 | | 676,002 |
| Total members' interests | 19 | | <u>430,618</u> | | <u>677,084</u> |
| Minority interests | 20 | | 176,958 | | 123,318 |
| Total | | | <u>607,576</u> | | <u>800,402</u> |

The financial statements were approved and authorised for issue by the Members on 16/06/2014 and were signed on their behalf by:



Mr A Hurd
Designated member

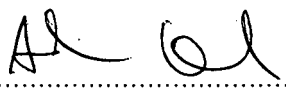
Registration number - OC383449

The notes on pages 10 to 23 form part of these financial statements.

CONCORDIA HEALTH HOLDINGS LLP
LIMITED LIABILITY PARTNERSHIP BALANCE SHEET AS AT 30 SEPTEMBER 2013

| | Note | 2013 |
|--|------|-------------|
| | | £ |
| Fixed assets | | |
| Investments | 11 | 1,082 |
| Current assets | | |
| Debtors | 13 | 1,082 |
| | | <hr/> |
| | | 1,082 |
| Creditors | | |
| Amounts falling due within one year | 14 | (1,082) |
| | | <hr/> |
| Net current assets | | - |
| | | <hr/> |
| Total assets less current liabilities | | 1,082 |
| | | <hr/> |
| Net assets attributable to members | | 1,082 |
| | | <hr/> <hr/> |
| Represented by: | | |
| Members' capital – due over one year | 19 | 1,082 |
| | | <hr/> |
| Total members' interests | | 1,082 |
| | | <hr/> <hr/> |

The financial statements were approved and authorised for issue by the Members on16/06/2014..... and were signed on their behalf by:


.....
Mr A Hurd
Designated member

Registration number - OC383449

The notes on pages 10 to 23 form part of these financial statements.

CONCORDIA HEALTH HOLDINGS LLP

GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2013

| | Note | 2013 £ | 2012 £ |
|---|-------------|-------------------|-------------------|
| Net cash (outflow)/inflow from operating activities | 24 | (195,122) | 587,337 |
| Returns on investments and servicing of finance | 25 | (1,762) | 47 |
| Taxation | | (54,805) | (102,001) |
| Capital expenditure and financial investment | 26 | 55,415 | (200,322) |
| Cash (outflow)/inflow before financing | | (196,274) | 285,061 |
| Financing | 27 | 210,422 | (10,247) |
| Increase in cash | | 14,148 | 274,814 |

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

| | | 2013 £ | 2012 £ |
|---|----|-------------------|-------------------|
| Increase in cash in the year | | 14,148 | 274,814 |
| Cash inflow/(outflow) from movement in debt and lease financing | | (210,422) | 10,247 |
| Movement in net debt in the year | 28 | (196,274) | 285,061 |
| Net funds at 1 October 2012 | | 407,639 | 122,578 |
| Net funds at 30 September 2013 | 28 | 211,365 | 407,639 |

CONCORDIA HEALTH HOLDINGS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

1. Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year and have also been consistently applied within the same accounts.

In the comparative period the directors opted to take advantage of the exemption from audit that was available to certain subsidiaries.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, and applicable accounting standards in the United Kingdom. In addition, the financial statements have been prepared in accordance with the Statement of Recommended Practice, 'Accounting by Limited Liability Partnerships (SORP)'.

Basis of consolidation

The consolidated financial statements include the financial statements of the limited liability partnership and its subsidiary undertakings made up to 30 September 2013 to the extent of the group's interest in those undertakings and after eliminating intra-group transactions.

The limited liability partnership was incorporated on 18 March 2013 as part of a group reconstruction of the Concordia Health businesses. In accordance with paragraph 13 of FRS 6 'Acquisitions and Mergers' the group reconstruction has been accounted for using merger accounting principles.

Merger accounting requires that the group profit and loss account report the results of the group as if the Concordia Health Holdings LLP group had always existed in its current form. This means that a full year's trading is reported for both the current and comparative period, regardless of the date of incorporation of the limited liability partnership.

In the limited liability partnership's financial statements investments in subsidiary undertakings are stated at cost less provision for permanent diminution in value.

A separate profit and loss account for the limited liability partnership has not been presented in accordance with Section 408 of the Companies Act 2006. The result of the parent limited liability partnership dealt with in these financial statements is disclosed in note 7.

Turnover

Turnover is the total amount receivable by the group in the ordinary course of business for the services provided excluding value added tax. In the case of primary care contracts, turnover represents the value of income from NHS PMS and APMS contracts, enhanced services and other medical related NHS and non-NHS income. In the case of secondary care contracts, turnover represents contract income for the services provided.

Depreciation

Depreciation is calculated to write down the cost of all fixed assets to their estimated residual values by equal annual instalments over their expected useful lives commencing from the date that the assets are first brought into use. The periods generally applicable are:

| | |
|----------------------------------|--|
| Leasehold property improvements | Straight line over the life of the lease |
| Fixtures, fittings and equipment | 25% - 33.3% reducing balance |
| Computer equipment and website | 25% - 33.3% straight line |
| Surgery improvements | 20% straight line |

CONCORDIA HEALTH HOLDINGS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

1. Accounting policies (continued)

Leasing

The group has entered into certain property leases that are categorised as operating leases. The annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

Stock

Stock is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on the tax rates and laws enacted or substantively enacted at the balance sheet date.

Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year is the NHS Pension Scheme, a multi-employer pension scheme. The pension liability is the responsibility of the NHS Pension Scheme which does not identify the assets and liabilities that are attributable to the company. Accordingly, under Financial Reporting Standard 17 'Retirement Benefits' the scheme is accounted for as if it were a defined contribution scheme.

Going concern

The financial statements have been prepared on the going concern basis. The members are satisfied that this is appropriate having looked at the trading performance of the limited liability partnership's subsidiaries both during the financial year and since the balance sheet date. In addition, the members have reviewed budgets and forecasts for the foreseeable future, defined as being no less than one year from the date of approving the financial statements. They conclude that sufficient cash flow can be made available from the trading companies to pay debts of the group as they fall due. In addition, those members, who are also directors of the subsidiary undertakings, with outstanding directors loan accounts due to them from certain subsidiaries have confirmed that they will not call these in for the foreseeable future, if to do so would cause the group undue financial hardship.

2. Turnover

The turnover of the group for the year has been derived from its principal activity wholly undertaken in the UK.

CONCORDIA HEALTH HOLDINGS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

3. Operating (loss)/profit

| | 2013 £ | 2012 £ |
|---|-------------------|-------------------|
| Operating (loss)/profit is stated after charging: | | |
| Depreciation on owned assets | 108,115 | 43,966 |
| Loss on disposal of tangible assets | 2,913 | - |
| Auditors remuneration | 26,200 | 13,000 |
| Exceptional items | | |
| - Exceptional contract termination costs | 55,708 | - |
| and after crediting: | | |
| Release of NHS grant deferred income | 1,795 | - |
| Exceptional items | | |
| - Exceptional loan write back | 25,000 | - |
| | <u> </u> | <u> </u> |

Included within auditors remuneration for audit work above is £13,200 (2012 - £nil) relating to the audit of the subsidiary undertakings. In the comparative period a number of subsidiary undertakings were members of a small group, and qualified for audit exemption.

Exceptional items

Exceptional administrative expenses - contract termination costs

During the year a subsidiary undertaking terminated an agreement with a business partner, who they had worked with to service certain contracts. As part of the settlement, the company paid the exiting business partner termination costs as detailed above. These costs are considered to be allowable for corporation tax.

Exceptional administrative income – loan write back

A subsidiary has written back a loan due to an exiting shareholder, as this is no longer payable. The write back formed part of the settlement agreement with that party. The loan write back is considered to be chargeable to corporation tax.

4. Interest receivable

| | 2013 £ | 2012 £ |
|---------------|-------------------|-------------------|
| Bank interest | 2 | 47 |
| | <u> </u> | <u> </u> |
| | 2 | 47 |
| | <u> </u> | <u> </u> |

5. Interest payable

| | 2013 £ | 2012 £ |
|---------------|-------------------|-------------------|
| On bank loans | 6,937 | - |
| | <u> </u> | <u> </u> |
| | 6,937 | - |
| | <u> </u> | <u> </u> |

CONCORDIA HEALTH HOLDINGS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

6. Tax on (loss)/profit on ordinary activities

The taxation charge relates to the subsidiary companies based on their results for the year, and is made up as follows:

| | 2013 £ | 2012 £ |
|--|-----------|-----------|
| Corporation tax | 73,148 | 55,007 |
| Adjustments in respect of previous years | (202) | (585) |
| | <hr/> | <hr/> |
| | 72,946 | 54,422 |
| Deferred tax | | |
| Timing differences, origination and reversal | 9,585 | 4,337 |
| | <hr/> | <hr/> |
| | 82,531 | 58,759 |
| | <hr/> | <hr/> |

Factors affecting corporation tax charge for period

The current tax charge is higher than (2012 – higher than) the average rate of corporation tax in the UK of 23.5% (2012 – 24.7%). The differences are explained below:

| | 2013 £ | 2012 £ |
|---|-----------|-----------|
| (Loss)/profit on ordinary activities before tax | (109,795) | 131,375 |
| | <hr/> | <hr/> |
| (Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.5% (2012 – 24.7%) | (25,802) | 32,450 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 10,214 | (976) |
| Capital allowances in excess of depreciation | (15,140) | (8,155) |
| Taxable investment income | 1,210 | - |
| Utilisation of tax losses | (3,144) | 8,040 |
| Impact of tax rate differences in subsidiaries | (500) | (1,426) |
| Impact of unutilised tax losses in subsidiaries | 106,310 | 25,074 |
| Adjustment in respect of previous period | (202) | (585) |
| | <hr/> | <hr/> |
| | 72,946 | 54,422 |
| | <hr/> | <hr/> |

Factors that may affect future tax charges

At the year end various subsidiary undertakings had tax losses available for use against future taxable profits amounting in total to £573,072 (2012 – 134,067).

7. Result of the parent undertaking

As permitted by Section 408 of the Companies Act 2006 no profit and loss account is presented for Concordia Health Holdings LLP.

The result for the financial year of the parent undertaking is £nil.

CONCORDIA HEALTH HOLDINGS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

8. Employees

| | 2013 | 2012 |
|-----------------------|-------------|-------------|
| | £ | £ |
| Employment costs: | | |
| Wages and salaries | 4,103,007 | 4,155,063 |
| Social security costs | 121,405 | 111,908 |
| Other pension costs | 372,215 | 347,154 |
| | <hr/> | <hr/> |
| | 4,596,627 | 4,614,125 |
| | <hr/> | <hr/> |

The average number of persons employed during the year (including members where they are employed by a subsidiary undertaking) was as follows:

| | 2013 | 2012 |
|--------------------------------|---------------|---------------|
| | Number | Number |
| Head Office and administration | 18 | 17 |
| Practice and clinical staff | 115 | 113 |
| | <hr/> | <hr/> |
| | 133 | 130 |
| | <hr/> | <hr/> |

9. Members' remuneration

In accordance with the members agreement profits and losses are not automatically shared amongst the members as allocations are made at the discretion of the Management Board.

| | 2013 | 2012 |
|---|-------------|-------------|
| | £ | £ |
| Members remuneration charged as an expense | - | - |
| (Loss)/profit for the year available for discretionary division | (195,566) | 60,257 |
| | <hr/> | <hr/> |
| Group (loss)/profit for the year | (195,566) | 60,257 |
| | <hr/> | <hr/> |

The average number of members in the year was 4 (2012 – 4 assuming that the group existed in its current form at that time, in accordance with merger accounting principles).

The average entitlement to the (loss)/profit for the year is £48,892 loss (2012 - £15,064 profit), being the (loss)/profit for the year available to members divided by the number of members.

The estimated share of the member with the largest entitlement to division of the (loss)/profit for the year is £54,691 loss (2012 - £25,901 profit).

CONCORDIA HEALTH HOLDINGS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

10. Tangible fixed assets

| <u>Group</u> | Short leasehold improvements £ | Computer equipment and website £ | Fixtures, fittings and equipment £ | Surgery improvements £ | Total £ |
|-------------------------------------|---|---|---|------------------------------|------------|
| <u>Cost</u> | | | | | |
| At 1 October 2012 | 24,000 | 90,382 | 208,502 | 70,576 | 393,460 |
| Additions | 26,784 | 3,964 | 147,192 | 51,390 | 229,330 |
| Disposals | - | - | (19,319) | - | (19,319) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 30 September 2013 | 50,784 | 94,346 | 336,375 | 121,966 | 603,471 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| <u>Depreciation</u> | | | | | |
| At 1 October 2012 | - | 22,953 | 81,768 | 63,113 | 167,834 |
| Provided in year | 16,921 | 21,819 | 64,127 | 5,248 | 108,115 |
| Eliminated on disposals | - | - | (1,406) | - | (1,406) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 30 September 2013 | 16,921 | 44,772 | 144,489 | 68,361 | 274,543 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Net book value at 30 September 2013 | 33,863 | 49,574 | 191,886 | 53,605 | 328,928 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Net book value at 30 September 2012 | 24,000 | 67,429 | 126,734 | 7,463 | 225,626 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

The limited liability partnership owns no tangible fixed assets.

CONCORDIA HEALTH HOLDINGS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

11. Fixed asset investments

| <u>Group</u> | <u>Listed investments</u> |
|----------------------|---------------------------|
| <u>At cost</u> | <u>£</u> |
| At 1 October 2012 | 500,000 |
| Disposals | (250,000) |
| | <hr/> |
| At 30 September 2013 | 250,000 |
| | <hr/> |

The market value of listed investments at 30 September 2013 was £257,168 (2012 - £509,088).

| <u>Limited liability partnership</u> | <u>Shares in subsidiary undertakings</u> |
|--------------------------------------|--|
| <u>At cost</u> | <u>£</u> |
| At 30 September 2013 | 1,082 |
| | <hr/> |

12. Stock and work in progress

| | <u>Group</u> | | <u>Limited liability partnership</u> | |
|-------------------------------|--------------|-------------|--------------------------------------|-------------|
| | <u>2013</u> | <u>2012</u> | <u>2013</u> | <u>2012</u> |
| | <u>£</u> | <u>£</u> | <u>£</u> | <u>£</u> |
| Raw materials and consumables | 54,066 | 59,916 | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 54,066 | 59,916 | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |

13. Debtors

| | <u>Group</u> | | <u>Limited liability partnership</u> | |
|-------------------------------------|--------------|-------------|--------------------------------------|-------------|
| | <u>2013</u> | <u>2012</u> | <u>2013</u> | <u>2012</u> |
| | <u>£</u> | <u>£</u> | <u>£</u> | <u>£</u> |
| Trade debtors | 1,252,551 | 880,738 | - | - |
| Amounts owed by connected companies | 490 | 990 | - | - |
| Other debtors | 59,530 | 192,665 | 1,082 | - |
| Prepayments | 240,518 | 213,299 | - | - |
| Deferred tax (note 18) | 784 | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 1,553,873 | 1,287,692 | 1,082 | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |

CONCORDIA HEALTH HOLDINGS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

13. Debtors (continued)

Amounts falling due after more than one year and included in debtors are:

| | Group | | Limited liability partnership | |
|---------------|--------------|-------------|--------------------------------------|-------------|
| | 2013 | 2012 | 2013 | 2012 |
| | £ | £ | £ | £ |
| Other debtors | 2,948 | 41,388 | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 2,948 | 41,388 | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |

14. Creditors

| | Group | | Limited liability partnership | |
|---|--------------|-------------|--------------------------------------|-------------|
| | 2013 | 2012 | 2013 | 2012 |
| | £ | £ | £ | £ |
| <u>Amounts falling due within one year:</u> | | | | |
| Bank loans | 60,500 | 10,200 | - | - |
| Trade creditors | 954,633 | 823,399 | - | - |
| Other creditors | 59,244 | 37,000 | 1,082 | - |
| Corporation tax | 66,114 | 55,007 | - | - |
| Other taxation and social security | 131,125 | 107,476 | - | - |
| Accruals and deferred income | 265,042 | 230,979 | - | - |
| Directors of subsidiaries loan accounts | 56,720 | 84,043 | - | - |
| Pension contributions | 130,243 | 125,146 | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 1,723,621 | 1,473,250 | 1,082 | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |

15. Creditors

| | Group | | Limited liability partnership | |
|--|--------------|-------------|--------------------------------------|-------------|
| | 2013 | 2012 | 2013 | 2012 |
| | £ | £ | £ | £ |
| <u>Amounts falling due after one year:</u> | | | | |
| Bank loans | 205,437 | 45,315 | - | - |
| Deferred income | 19,745 | - | - | - |
| Directors of subsidiaries loan accounts | 80,000 | 200,000 | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 305,182 | 245,315 | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |

CONCORDIA HEALTH HOLDINGS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

16. Borrowings - Group

Year ended 30 September 2013

| Repayments fall due | Under one year £ | 1 - 5 years £ | Total £ |
|---------------------|------------------------|---------------------|----------------|
| Bank loans | 60,500 | 205,437 | 265,937 |
| | <u>60,500</u> | <u>205,437</u> | <u>265,937</u> |

Year ended 30 September 2012

| Repayments fall due | Under one Year £ | 1 - 5 years £ | Over 5 years £ | Total £ |
|---------------------|------------------------|---------------------|----------------------|---------------|
| Bank loans | 10,200 | 40,800 | 4,515 | 55,515 |
| | <u>10,200</u> | <u>40,800</u> | <u>4,515</u> | <u>55,515</u> |

17. Security

The bank holds as security unlimited debentures incorporating a fixed and floating charge over assets of the subsidiary companies, together with guarantees from certain directors of the subsidiaries and other group companies. In addition, S O Fradd, a director of certain subsidiary companies, has provided a personal guarantee against the bank loan held by one subsidiary.

18. Provision for liabilities

Deferred taxation

The amount provided for deferred taxation is as follows:

| | Group | Limited liability partnership | | |
|---|-----------|-------------------------------|-----------|-----------|
| | 2013 £ | 2012 £ | 2013 £ | 2012 £ |
| Accumulated excess of capital allowances over corresponding depreciation | 27,006 | 17,421 | - | - |
| | | | | |
| | | Group £ | | LLP £ |
| Provision at 1 October 2012 | | 17,421 | | - |
| Deferred tax credit in profit and loss account | | 9,585 | | - |
| | | | | |
| Provision at 30 September 2013 | | 27,006 | | - |

Deferred tax assets and liabilities have been grossed up such that there is a deferred tax provision of £27,790 and a separate deferred tax asset of £784.

CONCORDIA HEALTH HOLDINGS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

19. Members' interests - group

| | Members capital | Other reserves | Total members interests 2013 | Total members interests 2012 |
|---|--------------------|-------------------|------------------------------------|------------------------------------|
| | £ | £ | £ | £ |
| Members interest at 1 October 2012 (assuming group existed in its current form) | 1,082 | - | 1,082 | 1,082 |
| Member's share of group profits brought forward | - | 676,002 | 676,002 | 615,745 |
| Loss for the year attributable to members | - | (195,566) | (195,566) | 60,257 |
| Share of net liabilities of subsidiary transferred from a Minority interest pre-merger | - | (50,900) | (50,900) | - |
| | <u>1,082</u> | <u>429,536</u> | <u>430,618</u> | <u>677,084</u> |
| At 30 September 2013 | 1,082 | 429,536 | 430,618 | 677,084 |

20. Reconciliation of movements in minority interests

| | 2013 £ | 2012 £ |
|--|----------------|----------------|
| Profit for the financial year | 3,240 | 12,359 |
| Share of net liabilities of subsidiary transferred from Minority interest to the group pre-merger | 50,900 | - |
| Shares relinquished as part of transfer above | (500) | - |
| | <u>53,640</u> | <u>12,359</u> |
| Net addition to minority interests | 53,640 | 12,359 |
| Opening minority interests | 123,318 | 110,959 |
| | <u>176,958</u> | <u>123,318</u> |
| Closing minority interests | 176,958 | 123,318 |

21. Pension commitments

The group contributes to the NHS pension scheme. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the group and amounted to £372,215 (2012 - £347,154). The balance of pension contributions outstanding at 30 September 2013 was £130,243 (2012 - £125,146).

CONCORDIA HEALTH HOLDINGS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

22. Subsidiary undertakings

| Company | Country of registration | Shares held | Principal activity |
|--|--------------------------------|--------------------|--|
| Concordia Health Ltd | England and Wales | Ordinary 85% | Medical services – Primary care |
| Concordia Health Group Ltd | England and Wales | Ordinary 100% | Group services |
| Concordia Ambulatory Care Services Ltd | England and Wales | Ordinary 100% | Medical services – ultrasound/cardiology |
| Concordia Specialist Care Services Ltd | England and Wales | Ordinary 100% | Medical services – dermatology/dentistry |
| Concordia Community Outpatients Ltd | England and Wales | Ordinary 51% | Medical services – ENT |

The limited liability partnership's investment in Concordia Ambulatory Care Services Ltd, Concordia Specialist Care Services Ltd and Concordia Community Outpatients Ltd are indirect, because those companies are subsidiaries of Concordia Health Group Ltd.

23. Financial commitments under operating leases

The group is committed to make the following payments in the next year in respect of operating leases:

| | Land and buildings | | Others | |
|--------------------------------|---------------------------|-------------|---------------|-------------|
| | 2013 | 2012 | 2013 | 2012 |
| | £ | £ | £ | £ |
| Operating leases which expire: | | | | |
| Within one year | - | - | - | - |
| Between one and five years | 78,547 | 53,024 | - | - |
| Over five years | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 78,547 | 53,024 | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |

There are no commitments relating to the limited liability partnership.

24. Net cash flow from operating activities

| | 2013 | 2012 |
|--|------------------|----------------|
| | £ | £ |
| Operating (loss)/profit | (108,033) | 131,328 |
| Depreciation charges | 108,115 | 43,966 |
| Loss on sale of tangible fixed assets | 2,913 | - |
| Decrease/(increase) in stocks | 5,850 | (23,742) |
| (Increase) in debtors | (272,931) | (299,315) |
| Increase in creditors | 68,964 | 735,100 |
| | <hr/> | <hr/> |
| Net cash flow from operating activities | (195,122) | 587,337 |
| | <hr/> | <hr/> |

CONCORDIA HEALTH HOLDINGS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

25. Returns on investments and servicing of finance

| | 2013 | 2012 |
|--|----------------|-------------|
| | £ | £ |
| Investment income | 5,173 | - |
| Interest received | 2 | 47 |
| Interest paid | (6,937) | - |
| | <hr/> | <hr/> |
| Net returns on investments and servicing of finance | (1,762) | 47 |
| | <hr/> | <hr/> |

26. Capital expenditure and financial investment

| | 2013 | 2012 |
|---|---------------|------------------|
| | £ | £ |
| Purchase of tangible fixed assets | (209,585) | (207,335) |
| Sale of tangible fixed assets | 15,000 | 7,013 |
| Investment disposal proceeds | 250,000 | - |
| | <hr/> | <hr/> |
| Net capital expenditure and financial investment | 55,415 | (200,322) |
| | <hr/> | <hr/> |

27. Financing

| | 2013 | 2012 |
|----------------------------|----------------|-----------------|
| | £ | £ |
| Bank loan repayments | (39,578) | (10,247) |
| New bank loans received | 250,000 | - |
| | <hr/> | <hr/> |
| Net financing costs | 210,422 | (10,247) |
| | <hr/> | <hr/> |

28. Analysis of net funds

| | 2012 | Cash flow | Other entries | 2013 |
|--------------------------|----------------|------------------|----------------------|----------------|
| | £ | £ | £ | £ |
| Net cash: | | | | |
| Cash at bank and in hand | 463,154 | 14,148 | - | 477,302 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 463,154 | 14,148 | - | 477,302 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Debt | | | | |
| Due within one year | | | | |
| Finance leases | (10,200) | 10,200 | (60,500) | (60,500) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Due after one year | | | | |
| Finance leases | (45,315) | (220,622) | 60,500 | (205,437) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | (55,515) | (210,422) | - | (265,937) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Net funds | 407,639 | (196,274) | - | 211,365 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

CONCORDIA HEALTH HOLDINGS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

29. Related party transactions

The limited liability partnership has taken advantage of the exemption afforded by FRS 8 'Related Party Disclosures' from disclosing transactions with other companies within the Concordia Health Holdings group.

Health Workforce Limited is a related party by virtue of common ownership.

During the year, the group received a rent refund for premises previously occupied by Health Workforce Limited amounting to £8,553, and purchased fixed assets from Health Workforce Limited on the cessation of that company's trade for consideration of £6,658. In addition, the group transferred funds to Health Workforce Limited to fund cash flow amounting to £2,500.

Health Workforce Limited invoiced the group for management services provided during the year amounting to £nil (2012 - £145,506).

At 30 September 2013 debtors included the sum of £nil (2012 - £12,568) owed to the group by Health Workforce Limited.

At 30 September 2013 the group owed Health Workforce Limited £143 (2012 - £nil).

The members of Concordia Health Holdings LLP have loan accounts with the group, which are categorised as directors' loan accounts in certain subsidiary companies.

The following members had interest free loans due to the group during the year. These are reported within other debtors and details are as follows:

J W Chisholm - £11,793 (2012 - £11,793). The maximum balance in the year was £11,793.

S O Fradd - £nil (2012 - £316). The maximum balance in the year was £316.

A Hurd - £nil (2012 - £101,089). The maximum balance in the year was £101,911.

T Hurd - £nil (2012 - £23,711). The maximum balance in the year was £23,711.

Included in creditors due within one year at 30 September 2013 were the following amounts due to members:

S O Fradd - £39,137 (2012 - £39,137).

A Hurd - £1,741 (2012 - £16,203).

T Hurd - £15,842 (2012 - £28,703).

Included in creditors due after one year

A Hurd - £nil (2012 - £100,000).

T Hurd - £80,000 (2012 - £100,000).

30. Capital commitments

The group companies had commitments to purchase tangible fixed assets at the year end, where contracts were in force but provision not made in the financial statements of £nil (2012 - £18,000).

These commitments related to short leasehold property improvements that were capitalised upon the completion of the work.

31. Control relationship

The limited liability partnership is under the control of its members.

CONCORDIA HEALTH HOLDINGS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

32. Post balance sheet events

The period since 30 September 2013 has been one of significant growth in a number of the limited liability partnership's subsidiaries, and this has resulted in a substantial number of new contracts and sites being used in those companies' operations.