Registered number: 10309496

COMBINE OPCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

COMBINE OPCO LIMITED

COMPANY INFORMATION

Director	T Veverka
Company secretary	J Rouch
Registered number	10309496
Registered office	192 Altrincham Road Manchester M22 4RZ
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor 45 Church Street Birmingham B3 2RT

COMBINE OPCO LIMITED

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

The Director presents his Strategic Report for the year ended 31 December 2017.

Business review

Combine Opco Limited was incorporated on 3 August 2016 and purchased the trade and assets of The Hospital Group Healthcare Ltd on 6 October 2016 from its administrators.

The Director is of the opinion that the trading performance was reasonable during the financial year given the change in business structure in the preceding financial periods, the subsequent internal restructuring of the Company and the prevailing economic conditions.

During the current financial year, the company began to see 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.

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 has worked 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 health and safety and care policies and procedures together with training programmes for staff.

Management development
Long-term growth of the business depends on the company's ability to retain 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 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 insurances 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.

Liquidity risk
The Company meets its working capital requirements through cash generated in the business.

Financial key performance indicators

The Director measures financial performance (sales, gross margin, stock turnover and cash flow) and customer and employee satisfaction as indicators of the success of the company. The internal systems and processes are aligned to these KPI's and enable management to monitor movement and progress in comparison to these.

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 on 14th August 2018 and signed on its behalf.

T Veverka
Director

DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

The Director presents his report and the financial statements for the year ended 31 December 2017.

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 they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Results and dividends

The loss for the year, after taxation, amounted to £789,556 (2016 - loss £5,095,129).

No dividends have been paid or proposed during the year.

Directors

The Directors who served during the year were:

J Rouch (resigned 14 August 2017)
T Veverka (appointed 14 August 2017)

Future developments

The Company will continue to operate on a similar basis for the forseeable future.

DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

Employee involvement

The Company encourages the participation of its employees in the business in which they work. Established communication and consultation procedures exist which aim to ensure that employees are informed about, and involved in, matters which are of interest and concern to them.

The Company is an equal opportunities employer and its policies for the recruitment, training, career development and promotion of employees are based on the relevant merits and abilities of the individuals concerned. The policies also allow disabled persons to compete on an equal basis. Any existing employee who becomes disabled is given the training required to ensure that, wherever possible, continuity of employment can be maintained.

Qualifying third party indemnity provisions

The Company has qualifying third-party indemnity provisions for the benefit of its Directors which remain in force at the date of this report.

Matters covered in the strategic report

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report instead. These matters relate to business review, principle risks and uncertainties, future developments and key performance indiciators.

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.

This report was approved by the board on 14th August 2018 and signed on its behalf.

T Veverka
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMBINE OPCO LIMITED

Opinion

We have audited the financial statements of Combine OpCo Limited (the 'Company') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMBINE OPCO LIMITED

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of 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 the financial statements; and
- the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMBINE OPCO LIMITED

Responsibilities of Directors

As explained more fully in the Director's responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of the audit report

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

Louis Burns

Louis Burns (Senior statutory auditor)

for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
45 Church Street
Birmingham
B3 2RT

Date: 14 August 2018

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	12 months ended 31 December 2017 £	5 months ended 31 December 2016 £
Turnover	4	22,459,014	3,037,012
Cost of sales		(13,536,075)	(5,210,173)
Gross profit/(loss)		8,922,939	(2,173,161)
Administrative expenses		(9,608,287)	(2,901,475)
Operating loss	5	(685,348)	(5,074,636)
Interest payable and expenses	9	(104,208)	(20,493)
Loss before tax		(789,556)	(5,095,129)
Tax on loss	10	-	-
Loss for the financial year		(789,556)	(5,095,129)
Other comprehensive income for the year			
Other comprehensive income		-	-
Total comprehensive income for the year		(789,556)	(5,095,129)

The notes on pages 11 to 25 form part of these financial statements.

COMBINE OPCO LIMITED
REGISTERED NUMBER: 10309496

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note		2017 £		2016 £
Fixed assets					
Tangible assets	11		420,737		270,020
			420,737		270,020
Current assets					
Stocks	12	592,946		416,311	
Debtors: amounts falling due within one year	13	448,227		264,679	
Cash at bank and in hand	14	247,271		488,137	
		1,288,444		1,169,127	
Creditors: amounts falling due within one year	15	(7,184,323)		(5,815,869)	
Net current liabilities			(5,895,879)		(4,646,742)
Total assets less current liabilities			(5,475,142)		(4,376,722)
Creditors: amounts falling due after more than one year	16		(247,042)		(226,406)
Provisions for liabilities					
Provisions	18	(162,500)		(492,000)	
			(162,500)		(492,000)
Net liabilities			(5,884,684)		(5,095,128)
Capital and reserves					
Called up share capital	19		1		1
Profit and loss account	20		(5,884,685)		(5,095,129)
			(5,884,684)		(5,095,128)

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

14th August 2018

T Veverka
Director

The notes on pages 11 to 25 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 August 2016	1	-	1
Comprehensive income for the period			
Loss for the period	-	(5,095,129)	(5,095,129)
Total comprehensive income for the period	-	(5,095,129)	(5,095,129)
Total transactions with owners	-	-	-
At 1 January 2017	1	(5,095,129)	(5,095,128)
Comprehensive income for the year			
Loss for the year	-	(789,556)	(789,556)
Total comprehensive income for the year	-	(789,556)	(789,556)
Total transactions with owners	-	-	-
At 31 December 2017	1	(5,884,685)	(5,884,684)

The notes on pages 11 to 25 form part of these financial statements.

1. General information

Combine OpCo Limited (the 'Company') is a private company limited by shares, incorporated in England and Wales. Company registration number 10309496. The address of its registered office and principal place of business is 192 Altrincham Road, Manchester, M22 4RZ.

The principal activity of the Company continued to be the provision of cosmetic surgery and related procedures.

These financial statements have been presented in Pounds Sterling (£) as this is the Company's functional currency, being the currency of the primary economic enviroment in which the company operates.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies 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 judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

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 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Aurelius Equity Opportunities SE & Co. KGaA as at 31 December 2017 and these financial statements may be obtained from Ludwig-Ganghofer-Straße 6, 82031 Grünwald.

2.3 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 also 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 there are no indicators this will not continue. Therefore the Director considers it to be appropriate to prepare the financial statements on a going concern basis.

2. *Accounting policies (continued)*

2.4 Revenue

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

Rendering of services

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

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

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.

2.5 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:

L/Term Leasehold Property	- Over the length of the lease
Motor vehicles	- 20%
Fixtures & fittings	- 20%
Computer equipment	- 20%
Medical equipment	- 20%

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

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

Depreciation is charged to administrative expenses in the Statement of Comprehensive Income.

2. Accounting policies (continued)

2.6 Stocks

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 balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 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.

2.8 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. Accounting policies (continued)

2.9 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other 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 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.

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 of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

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.

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 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. Accounting policies (continued)

2.12 *Operating leases: the Company as lessee*

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

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 in the Compnay has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are showin 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 *Borrowing costs*

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

2.15 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.

2. *Accounting policies (continued)*

2.16 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.

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

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilties. The directors' judgements, estimates and assumptions are based on the most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewd on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revisions affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The key estimates and assumptions made in these accounts are:

(i) Provisions

A provision is established where an obligation is identified as a result of a past event, an outflow is probable and the amount can be estimated reliably. When assessing the need for a provision the Director considers the knowledge of the business, past results and expert advice.

(ii) Stock

Stock is provided for using stock movement calculations, with consideration given to the expected future movements on specific items.

(iii) Property, plant and equipment

The company depreciate tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by management when determining the residual values for plant, machinery and equipment. When determining the residual value management aim to assess the amount that the Company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

4. Turnover

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

	12 months ended 31 December 2017 £	5 months ended 31 December 2016 £
Surgical income	21,775,866	2,846,599
Medical aesthetic income	599,370	161,624
Referral and private income	83,778	28,789
	22,459,014	3,037,012

Analysis of turnover by country of destination:

	12 months ended 31 December 2017 £	5 months ended 31 December 2016 £
United Kingdom	22,459,014	3,037,012

5. Operating loss

The operating loss is stated after charging:

	12 months ended 31 December 2017 £	5 months ended 31 December 2016 £
Depreciation of tangible fixed assets	79,736	13,867
Operating lease rentals	1,443,863	421,910

6. Auditor's remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £16,000 *(2016 - £ 11,000).*

7. Employees

Staff costs were as follows:

	12 months ended 31 December 2017 £	5 months ended 31 December 2016 £
Wages and salaries	6,519,716	1,402,414
Social security costs	561,727	119,922
Contributions to defined contribution pension scheme	9,621	494
	7,091,064	1,522,830

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

	12 months ended 31 December 2017 No.	5 months ended 31 December 2016 No.
Administration staff	108	135
Medical clinics staff	138	18
Medical hospital staff	47	106
Sales staff	19	46
	312	305

8. Director's remuneration

Director's remuneration is borne by another group company.

10. Taxation

	12 months ended 31 December 2017 £	5 months ended 31 December 2016 £
Total current tax	-	-

Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	12 months ended 31 December 2017 £	5 months ended 31 December 2016 £
Loss on ordinary activities before tax	(789,556)	(5,095,129)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	(151,962)	(1,019,026)
Effects of:		
Fixed assets ineligible depreciation	3,150	44
Expenses not deductible for tax purposes	1,300	18,000
Group relief surrendered	-	3,916
Unrelieved tax losses carried forward	130,294	997,066
Adjust deferred tax to average rate	17,218	-
Total tax charge for the year/period	-	-

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 17% (effective from 1 April 2020) was substantially enacted in September 2016, and has therefore been considered when calculating deferred tax at the reporting date.

Deferred tax expected to reverse in 2018 is £nil. A deferred tax asset of £999,040 (2016: £847,496) has not been recognised.

11. Tangible fixed assets

	L/H Property Imp's £	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Medical equipment £	Total £
Cost or valuation						
At 1 January 2017	-	66,000	25,531	17,213	174,190	282,934
Additions	20,000	-	-	-	210,453	230,453
At 31 December 2017	20,000	66,000	25,531	17,213	384,643	513,387
Depreciation						
At 1 January 2017	-	2,200	1,277	861	8,576	12,914
Charge for the period	667	-	-	-	79,069	79,736
At 31 December 2017	667	2,200	1,277	861	87,645	92,650
Net book value						
At 31 December 2017	19,333	63,800	24,254	16,352	296,998	420,737
At 31 December 2016	-	63,800	24,254	16,352	165,614	270,020

12. Stocks

	2017 £	2016 £
Finished goods and goods for resale	592,946	416,311

Stock recognised in cost of sales during the year as an expense was £3,289,428 (2016 - £905,989). There were £NIL impairments of inventories during the year (2016: NIL).

13. Debtors

	2017 £	2016 £
Trade debtors	146,332	3,941
Other debtors	3,304	1
Prepayments and accrued income	298,591	260,737
	448,227	264,679

14. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	247,271	488,137

15. Creditors: Amounts falling due within one year

	2017 £	2016 £
Payments received on account	1,440,599	1,302,780
Trade creditors	1,757,627	2,085,790
Amounts owed to group undertakings	2,484,602	1,110,582
Other taxation and social security	388,423	193,280
Other creditors	9,952	6,105
Accruals and deferred income	1,103,120	1,117,332
	7,184,323	5,815,869

Included within amounts owed to group undertakings is a loan of £350,000 with accrued interest of £41,291 (2016: £16,005). This is repayable on demand. Interest accrues at 4.5%.

Included within amounts owed to group undertakings is a loan of £500,000 with accrued interest of £25,000 (2016: £0). This is repayable on demand and interest accrues at 5%.

The remainder of the balance is interest free and repayable on demand.

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

	2017 £	2016 £
Amounts owed to group undertakings	247,042	226,406

The amounts owed to group undertakings have interest accrued at 7.5%. This loan is repayable on or before 5 October 2021.

17. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	247,271	488,137
Financial assets that are debt instruments measured at amortised cost	149,636	3,942
	396,907	492,079
Financial liabilities		
Financial liabilities measured at amortised cost	(7,042,942)	(5,848,995)
	(7,042,942)	(5,848,995)

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise payments recevied on account, trade creditors, amounts owed to group undertakings, other creditors and accruals.

18. Provisions

	Provision for discontinued operations £	Provision for legal fees £	Total £
At 1 January 2017	342,000	150,000	492,000
Charged to profit or loss	-	112,500	112,500
Utilised in year	(342,000)	(100,000)	(442,000)
At 31 December 2017	-	162,500	162,500

Provision for discontinued operations

The provision recognised in the financial statements in the prior year in relation to termination costs associated with the closure of a division have been fully utilised in the current year.

Provision for legal fees

A provision has been recognised in the financial statements in relation to costs associated with ongoing legal cases with patients of the Company. This provision is made on the basis that these cases are expected to be settled within the next 12 months and the provision utilised in full.

19. Share capital

	2017	2016
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
1 Ordinary Share of £1 each	1	1

The share in issue has attached to it full voting, dividend and capital distribution rights.

20. Reserves

Profit & loss account

The profit & loss account reserve represents accumulated profits and losses of the Company.

21. Pension commitments

The Company operates a defined contributions 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 and amounted to £9,621 (2016 - £494). Contributions totalling £9,952 (2016 - £4,172) were payable to the fund at the balance sheet date.

22. Commitments under operating leases

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017	2016
	£	£
Not later than 1 year	627,955	494,470
Later than 1 year and not later than 5 years	1,540,243	2,073,364
Later than 5 years	-	137,690
	2,168,198	2,705,524

All commitments relate to land and buildings.

23. Related party transactions

The Company and Group has taken advantage of the exemption available per Section 33 'Related Party Disclosures' not to disclose transactions entered into between two or more members of a group that are wholly owned.

24. Controlling party

The immediate parent of Combine OpCo Limited is Combine Holding Limited, which has the registered address 192 Altrincham Road, Manchester, M22 4RZ.

The Director considers Aurelius Equity Opportunities SE & Co. KGaA a company incorporated and listed in Germany to be its ultimate parent and controlling party. The largest and smallest Group for which the results of the Company are consolidated is that headed by Aurelius Equity Opportunities SE & Co. KGaA. Consolidated financial statements can be obtained from its registered address Ludwig-Ganghofer-Straße 6, 82031 Grünwald.