

Combine OpCo Limited

Registered number: 10309496

Director's report and financial statements

For the period ended 31 December 2016

SATURDAY



A6G34589

A36

30/09/2017

#152

COMPANIES HOUSE

COMBINE OPCO LIMITED

COMPANY INFORMATION

Directors	Jeremy Nicholas Rouch (appointed 19 August 2016, resigned 14 August 2017) John Robert Medcraft (appointed 3 August 2016, resigned 22 August 2016) Tony Veverka (appointed 14 August 2017)
Company secretary	Jeremy Nicholas Rouch
Registered number	10309496
Registered office	192 Altrincham Road Manchester M22 4RZ
Independent auditors	Mazars LLP Chartered Accountants & Statutory Auditor 45 Church Street Birmingham B3 2RT

COMBINE OPCO LIMITED

CONTENTS

	Page
Director's report	1 - 5
Independent auditors' report	6 - 7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11 - 24

COMBINE OPCO LIMITED

DIRECTOR'S REPORT FOR THE PERIOD ENDED 31 DECEMBER 2016

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

Director's responsibilities statement

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

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 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.

COMBINE OPCO LIMITED

DIRECTOR'S REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2016

Business review

The company was formed in 2016 and purchased the trade and assets of The Hospital Group Healthcare Ltd on 6 October 2016 from its administrators.

2016 results show funding provided by the ultimate parent to ensure continuity of care for patients. This was the major factor in the 2016 loss.

The cosmetic surgery industry saw a downturn in volume in 2016, with a number of contributing factors including, the outcome of the vote on the UK leaving the EU. This is believed to have made consumers more cautious with non essential spending.

2017 has seen an increase in revenue in both key areas of cosmetic surgery and obesity surgery, changes to the structure of the business and a focus on the performance of the sales team has been the driver behind the improvements.

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.

Further funding from group entities of £750k has been received post year end in the first quarter.

Results and dividends

The loss for the period, after taxation, amounted to £5,095,129.

No dividends have been paid or proposed during the year.

Directors

The directors who served during the period were:

Jeremy Nicholas Rouch (appointed 19 August 2016, resigned 14 August 2017)

John Robert Medcraft (appointed 3 August 2016, resigned 22 August 2016)

Future developments

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

COMBINE OPCO LIMITED

DIRECTOR'S REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2016

Principal risks and uncertainties

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

Business performance risk

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

Business continuity risk

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

Maintaining standards of care and health and safety risk

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

Management development

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

Financial and business control

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

Social, ethical and environmental risk

Due to the company's nature and size, no significant social, ethical or environmental risks have been identified by management. The company has a range of insurance to manage major risks such as business continuity disruption, public liability, property disaster, employee and public liability and medical claims. Management are periodically advised by insurance professionals on adequacy of cover.

Financial Key Performance Indicators

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

COMBINE OPCO LIMITED

DIRECTOR'S REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2016

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. It has a loan due to other group entities of £1,336,988.

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.

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Post balance sheet events

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

Auditors

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

COMBINE OPCO LIMITED

DIRECTOR'S REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2016

Statement for small companies

In preparing this report, the directors have taken advantage of the small companies exemptions from preparing a strategic report provided by Section 414B of the Companies Act 2006.

This report was approved by the board on *28 September 2017* and signed on its behalf.



Tony Veverka
Director

COMBINE OPCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF COMBINE OPCO LIMITED

We have audited the financial statements of Combine OpCo Limited for the period ended 31 December 2016 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity 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), including Financial Reporting Standard 102 'Reduced Disclosure Framework' "The Financial Reporting Standard in the UK and Republic of Ireland".

Respective responsibilities of director and auditors

As explained more fully in the director's responsibilities statement set out on page 1, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report have been prepared in accordance with applicable legal requirements.

COMBINE OPCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF COMBINE OPCO LIMITED

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 Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

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: 28 September 2017

COMBINE OPCO LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2016

	Note	Continuing operations 5 months ended 31 December 2016 £	Exceptional operations 5 months ended 31 December 2016 £	Discontin'd operations 5 months ended 31 December 2016 £	Total 5 months ended 31 December 2016 £
Turnover	4	2,972,688	-	64,324	3,037,012
Cost of sales		(1,528,304)	(3,242,033)	(439,836)	(5,210,173)
Gross profit / (loss)		<u>1,444,384</u>	<u>(3,242,033)</u>	<u>(375,512)</u>	<u>(2,173,161)</u>
Administrative expenses		(1,293,472)	(1,583,780)	(24,223)	(2,901,475)
Operating profit / (loss)	5	<u>150,912</u>	<u>(4,825,813)</u>	<u>(399,735)</u>	<u>(5,074,636)</u>
Interest payable and expenses	8	(10,584)	(9,909)	-	(20,493)
Profit / (loss) before tax		<u>140,328</u>	<u>(4,835,722)</u>	<u>(399,735)</u>	<u>(5,095,129)</u>
Tax on profit / (loss)		-	-	-	-
Profit / (loss) for the financial period		<u>140,328</u>	<u>(4,835,722)</u>	<u>(399,735)</u>	<u>(5,095,129)</u>
Other comprehensive income for the period					
Total comprehensive income for the period					<u>(5,095,129)</u>

The notes on pages 9 to 21 form part of these financial statements.

COMBINE OPCO LIMITED
REGISTERED NUMBER: 10309496

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £
Fixed assets		
Tangible assets	11	270,020
		<u>270,020</u>
Current assets		
Stocks	12	416,311
Debtors: amounts falling due within one year	13	264,679
Cash at bank and in hand	14	488,137
		<u>1,169,127</u>
Creditors: amounts falling due within one year	15	(5,815,869)
Net current liabilities		<u>(4,646,742)</u>
Total assets less current liabilities		<u>(4,376,722)</u>
Creditors: amounts falling due after more than one year	16	(226,406)
Provisions for liabilities		
Provisions	18	(492,000)
		<u>(492,000)</u>
Net liabilities		<u><u>(5,095,128)</u></u>
Capital and reserves		
Called up share capital	19	1
Profit and loss account	20	(5,095,129)
		<u><u>(5,095,128)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
28 September 2017


Tony Veverka
Director

The notes on pages 11 to 24 form part of these financial statements.

COMBINE OPCO LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2016

	Called up share capital £	Profit and loss account £	Total equity £
Comprehensive income for the period			
Loss for the period	-	(5,095,129)	(5,095,129)
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	(5,095,129)	(5,095,129)
Shares issued during the period	1	-	1
Total transactions with owners	1	-	1
At 31 December 2016	1	(5,095,129)	(5,095,128)

The notes on pages 11 to 24 form part of these financial statements.

COMBINE OPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

1. General information

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

The principal activity of the Company is hospital activities. These accounts cover the period from incorporation on 3 August 2016 to the year end of 31 December 2016.

The functional currency of the Company is Pounds Sterling as this is the currency of the primary economic environment in which the Company operates. These accounts are not rounded.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The 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 2016 and these financial statements may be obtained from <http://aureliusinvest.com/>.

2.3 Going concern

These financial statements have been prepared on a going concern basis. The Director has reviewed the company's forecasts and considers that the company will be able to trade with the cash facilities available.

The Director also considers that with continued parent support provided by Aurelius, the company has adequate resources to continue in operational existence for the foreseeable future and there are no indicators this will not continue. Therefore considers it to be appropriate to prepare the financial statements on a going concern basis.

COMBINE OPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

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.

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:

Motor vehicles	-	20%
Other fixed assets	-	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.

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. Work in progress and finished goods include labour and attributable overheads.

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.

COMBINE OPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

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.

2.9 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, 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.

COMBINE OPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

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.

2.12 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 Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

2.14 Termination benefits

At the point the Board have committed to a plan for redundancies an accrual is made for the amounts expected to be 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.

2.16 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.

COMBINE OPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

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

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.

4. Turnover

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

	5 months ended 31 December 2016 £
Surgical income	3,011,552
Rental and service income	25,460
	<u>3,037,012</u>

Analysis of turnover by country of destination:

	5 months ended 31 December 2016 £
United Kingdom	3,037,012
	<u>3,037,012</u>

COMBINE OPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

5. Operating (loss)/profit

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

	5 months ended 31 December 2016 £
Depreciation of tangible fixed assets	13,867
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	11,000
Other operating lease rentals	421,910
	<u>446,777</u>

6. Auditors' remuneration

	5 months ended 31 December 2016 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	11,000
Fees payable to the Company's auditor in respect of non audit services	4,500
	<u>15,500</u>

Combine OpCo Limited also paid the audit and non audit fees of Combine Holding Limited and Combine Asset Limited for the period ended 31 December 2016, a total of £7,000.

COMBINE OPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

7. Employees

Staff costs were as follows:

	5 months ended 31 December 2016 £
Wages and salaries	1,402,908
Social security costs	119,922
	<hr/> 1,522,830 <hr/> <hr/>

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

	5 months ended 31 December 2016 No.
Administration staff	135
Medical clinics staff	18
Medical hospital staff	106
Sales staff	46
	<hr/> 305 <hr/> <hr/>

Directors remuneration in the period was £nil.

8. Interest payable and similar charges

	5 months ended 31 December 2016 £
Bank interest payable	3
Loans from group undertakings	20,490
	<hr/> 20,493 <hr/> <hr/>

COMBINE OPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

9. Taxation

	5 months ended 31 December 2016 £
Total current tax	<u><u>-</u></u>

Factors affecting tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 20%. The differences are explained below:

	5 months ended 31 December 2016 £
Loss on ordinary activities before tax	<u>(5,095,129)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20%	(1,019,026)
Effects of:	
Fixed assets ineligible depreciation	44
Expenses not deductible for tax purposes	18,000
Group relief surrendered	3,916
Unrelieved tax losses carried forward	997,066
Total tax charge for the period	<u><u>-</u></u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

10. Exceptional costs

These exceptional costs relate to costs incurred in maintaining the brand and services of key external suppliers following the purchase by Combine OpCo Limited of the trade of The Hospital Group brand, also ensuring that patient care continuity obligations were met.

COMBINE OPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

11. Tangible fixed assets

	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Medical Equipment £	Total £
Cost or valuation					
Additions	66,000	-	-	11,000	77,000
Acquisition	-	30,597	17,804	176,597	224,998
Disposals	-	(5,066)	(591)	(13,407)	(19,064)
At 31 December 2016	<u>66,000</u>	<u>25,531</u>	<u>17,213</u>	<u>174,190</u>	<u>282,934</u>
Depreciation					
Charge for the period on owned assets	2,200	1,530	891	9,246	13,867
Disposals	-	(253)	(30)	(670)	(953)
At 31 December 2016	<u>2,200</u>	<u>1,277</u>	<u>861</u>	<u>8,576</u>	<u>12,914</u>
Net book value					
At 31 December 2016	<u><u>63,800</u></u>	<u><u>24,254</u></u>	<u><u>16,352</u></u>	<u><u>165,614</u></u>	<u><u>270,020</u></u>

12. Stocks

	2016 £
Finished goods and goods for resale	416,311
	<u>416,311</u>

13. Debtors

	2016 £
Trade debtors	3,941
Unpaid share capital	1
Prepayments and accrued income	260,737
	<u>264,679</u>

COMBINE OPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

14. Cash and cash equivalents

	2016 £
Cash at bank and in hand	488,137
	<u>488,137</u>

15. Creditors: Amounts falling due within one year

	2016 £
Payments received on account	1,302,780
Trade creditors	2,085,790
Amounts owed to group undertakings	1,110,582
Other taxation and social security	193,280
Other creditors	6,105
Accruals and deferred income	1,117,332
	<u>5,815,869</u>

Included within amounts owed to group undertakings is a loan of £350,000 with accrued interest of £16,005. This is repayable on or before 31 December 2017 and interest accrues at 4.5%.

Included within amounts owed to group undertakings is a loan of £500,000, this is repayable on or before 31 December 2017 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

	2016 £
Amounts owed to group undertakings	226,406
	<u>226,406</u>

The amounts owed to group undertakings have interest accrued at 2.5%. This loan is repayable on or before 5 October 2021.

COMBINE OPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

17. Financial instruments

	2016 £
Financial assets	
Financial assets measured at fair value through profit or loss	488,137
Financial assets that are debt instruments measured at amortised cost	3,942
	<u>492,079</u>
Financial liabilities	
Financial liabilities measured at amortised cost	(5,848,995)
	<u>(5,848,995)</u>

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 bank loans, trade creditors, amounts owed to group undertakings, other creditors and accruals and deferred income.

COMBINE OPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

18 Provisions

	Provision for discontin'd operations £	Provision for legal fees £	Total £
Charged to profit or loss	342,000	150,000	492,000
At 31 December 2016	342,000	150,000	492,000

Provision for discontinued operations

A provision has been recognised in the financial statements in relation to termination costs associated with the closure of the dentistry division finalised before the year end. This provision is expected to be utilised within the next 12 months.

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. These cases are expected to be settled within the next 6 months and the provision utilised in full.

COMBINE OPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

19. Share capital

	2016 £
Shares classified as equity	
Allotted, called up and fully paid	
1 Class 1 share of £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. Business combinations

On 6 October 2016 the trade and £225,000 of tangible fixed assets were purchased from The Hospital Group Healthcare Limited for £225,000. This was accounted for as a group transaction therefore recorded at book value.

22. Discontinued operations

During the period the Company closed certain activities. The discontinued activities incurred a loss of £399,735 in the period ended 31 December 2016.

23. Commitments under operating leases

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

	2016 £
Not later than 1 year	494,470
Later than 1 year and not later than 5 years	2,073,364
Later than 5 years	137,690
	<u>2,705,524</u>

All commitments relate to land and buildings.

COMBINE OPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

24. Controlling party

The immediate parent of Combine OpCo Limited is Combine Holding Limited. Aurelius Equity Opportunities SE & Co. KGaA, a company incorporated and listed in Germany, registered address Ludwig-Ganghofer-Straße 6, 82031 Grünwald, is regarded by the director as being the company's ultimate parent and controlling party.