

**Fresenius Medical Care Renal Services
(UK) Limited**

**Directors' report and financial
statements**

Registered number 03353201

31 December 2016



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Directors' report

The directors of the Company present their annual report and the audited financial statements for the year ended 31 December 2016.

Principal activities

The company's principal activity is to provide nursing dialysis services to clinics in the UK.

Results and dividends

The company made a loss after taxation for the year of £2,219,000 (2015: £1,079,000). The directors do not recommend the payment of a dividend (2015: £nil).

Directors

The directors of the company who served during the year and at the date of this report were as follows:

T Wheeldon
S Willetts

Fresenius Medical Care SE provided qualifying indemnity insurance to the directors of the company during the financial year and at the date of this report.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and that they have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



T Wheeldon
Director

Nunn Brook Road
Huthwaite
Nottinghamshire
NG17 2HU

28 September 2017

Strategic report

Objectives

The Company's long term objective is to deliver profitable sales performance to the Group in order to support continued investment in the Group, reduce borrowings and support future dividends to shareholders. In pursuing this objective the Company intends to maintain sound financial management and avoid excessive risks.

Key business strategies

In pursuit of its objectives the Company has a number of key business strategies which have been successfully implemented over recent years.

We aim to secure increased sales through:

- Keeping patient health and welfare at the forefront of all our activities;
- Improving patient outcomes and achieving in partnership with our customers;
- Providing the best quality dialysis services to our customer base;
- Ensuring outcomes for patients in line with the Renal Association Standards;
- The development of new customers in the UK market;
- Introducing new and innovative Service Models in Patient Care.

We plan to improve our gross margin levels through the introduction of technology and control measures to drive efficiencies.

We aim to have sufficient local finance for our activities, notwithstanding our ongoing access to additional Group funds to enable opportunities to be secured as they arise.

Strategy is constantly reviewed by the Board in the light of the wider Group strategies and performance, and also the changing market conditions, to ensure it remains appropriate to achieve the Company's objectives.

Risks and uncertainties

The key risk areas of the Company are:

- Customer tender pricing affecting sales and gross margin;
- The loss of key customer accounts;
- Labour cost risks.

The Company seeks to manage as far as possible the key risks that it faces.

Customer tenders for contracts affect the business every year, our tender pricing is under constant review, given the specification of services and competition. Excellent customer service quality as well as strong customer relations will continue to mitigate pricing pressures generated by the ongoing funding restrictions faced by the NHS.

The Company's customer base is strong and has increased in recent years, reducing the financial risks faced by the loss of a customer account. Further efforts to diversify our activities will also help address this concern.

Debt finance is available internally within the Group if required. We anticipate our local trading position will be sufficient to support our working capital requirements throughout 2017 and into 2018.

Having considered the above risks and uncertainties, the Directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future. Although the Company has net liabilities of £3,511,000 at 31 December 2016, sufficient working capital funds are expected to be available from support provided by a parent company. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Nursing staff availability is a key requirement of the business. New processes of electronic rostering and efficient recruitment processes implemented in 2015 have mitigated adverse cost risks and these processes continue to be reviewed.

Strategic report (continued)

Key performance indicators

The Company uses a number of financial measures to monitor progress against strategies and corporate objectives. These are summarised below:

	2016 £000	2015 £000
Turnover	17,406	15,464
EBITDA	(2,476)	(1,311)

In addition to financial measures, the Board also monitors the Company's operations with the objective of ensuring that health and safety is at the core of all working practices. In measuring the success of this, the Board reviews the level of reported incidents and monitors the training being undertaken by all relevant employees.

During the year, performance was in line with forecasts and expectations and as far as the board is aware, this is likely to be the case in the forthcoming year.

Future prospects

The Board is confident that the Group's strategy will continue to deliver results that meet our shareholders' expectations in the years to come.

Turnover of the Company has increased by 12.6% on the previous year. The increase in turnover is due to the opening of four new clinics in the year. EBITDA was negative at £2,476,000 (2015: negative at £1,311,000). EBITDA represents earnings before interest, tax, depreciation and amortisation charges.

This decline in EBITDA principally reflects continuing cost pressures and lower economies of scale at the new clinics in the first year of operation.

Based on the Company's forecasts, sufficient working capital funds are expected to be available from support provided by a parent company.

The Company continues to place patient care and wellbeing at the head of its schedule of corporate objectives, and this strategy leads to a culture of providing superior customer service which will drive the Company towards its anticipated future success.

Employees

The Company employs a small number of disabled people and will continue to do so wherever possible, through recruitment, by retention of persons who become disabled during service and by appropriate training, career development and promotion. The Company endeavours to keep all employees informed of the progress and development of the business.

The Company seeks to ensure that all employees, job applicants and prospective job applicants, are afforded equality of job opportunity in all areas of employment.

The Company's Health & Safety Policy fully recognises the Company's responsibility for the health and safety of employees and members of the community in which they work.

The Company places considerable value on the involvement of its employees and has continued its practice of keeping them informed of matters affecting them as employees, and on various matters affecting the performance of the Company.

Strategic report *(continued)*

Environmental policy

The Company is committed to adopting a responsible approach to environmental matters.

The management of the Company seeks to minimise any adverse impact on the environment from all aspects of the Company's operations by means of environmentally sound disciplines, which take practical steps to control effectively or eliminate any known pollution risks, without entailing excessive cost. Specifically, capital expenditure is directed towards the replacement of hazardous materials with environmentally friendly alternatives and methods of minimising the environmental costs of disposal of waste, the recycling of plastics and cardboard, and the reduction of energy consumption.

By order of the board



T Wheeldon
Director

Nunn Brook Road
Huthwaite
Nottinghamshire
NG17 2HU

28 September 2017

Statement of directors' responsibilities in respect of the Directors Report, the Strategic Report and the financial statements

The directors are responsible for preparing the Directors' Report, the Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS102 *The Financial Standard applicable in UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of Fresenius Medical Care Renal Services (UK) Limited

We have audited the financial statements of Fresenius Medical Care Renal Services (UK) Limited for the year ended 31 December 2016 set out on pages 7 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS102 *The Financial Standard applicable in UK and Republic of Ireland*.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors 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

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

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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

Neil Calder

Neil Calder (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

St Nicholas House

Park Row

Nottingham

NG1 6FQ

28 September 2017

Statement of income and retained earnings
for the year ended 31 December 2016

	<i>Note</i>	2016 £000	2015 £000
Turnover	2	17,406	15,464
Cost of sales		(19,882)	(16,775)
Gross loss and loss before taxation		<u>(2,476)</u>	<u>(1,311)</u>
Tax on loss	6	257	232
Loss for the financial year		<u>(2,219)</u>	<u>(1,079)</u>
Retained earnings at the beginning of the financial year		<u>(7,450)</u>	<u>(6,371)</u>
Retained earnings at the end of the financial year		<u>(9,669)</u>	<u>(7,450)</u>

In both the current and preceding year, the company made no material acquisitions and had no discontinued activities.

There were no recognised gains or losses in either the current or preceding year other than those disclosed in the profit and loss account. Accordingly, no statement of other comprehensive income is presented.

Balance sheet
as at 31 December 2016

	<i>Note</i>	2017 £000	2016 £000
Current assets			
Debtors	8	9,598	8,132
Creditors: amounts falling due within one year	9	(13,109)	(9,424)
Net liabilities		(3,511)	(1,292)
Capital and reserves			
Called up share capital	12	6,158	6,158
Profit and loss account		(9,669)	(7,450)
Shareholder's deficit		(3,511)	(1,292)

These financial statements were approved by the board of directors on 28 September 2017 and were signed on their behalf by:



T Wheeldon
Director

Registered number : 03353201

Notes

(forming part of the financial statements)

1 Accounting policies

Fresenius Medical Care Renal Services (UK) Limited is a private company limited by shares and incorporated and domiciled in England in the UK. The registered number is 03353201 and the registered office is Nunn Brook Road, Huthwaite, Nottinghamshire, NG17 2HU.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual and not about its group.

The Company's parent undertaking, Fresenius Medical Care (Holdings) Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Fresenius Medical Care (Holdings) Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from the address in note 13. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Fresenius Medical Care (Holdings) Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

There are no significant judgements made by the directors in the application of these accounting policies and no estimates with a significant risk of material adjustment in the next year.

1.1. Measurement convention

The financial statements are prepared on the historical cost basis.

1.2. Going concern

The financial statements have been prepared on the going concern basis, notwithstanding net liabilities of £3,511,000, which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by Fresenius Medical Care (Holdings) Limited, an intermediate parent company of the entity. Fresenius Medical Care (Holdings) Limited has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. The directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Notes (continued)

1 Accounting policies (continued)

1.3. Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4. Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.5. Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Investments in subsidiaries

These are separate financial statements of the company. Investments in subsidiaries are carried at cost less impairment.

1.6. Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Notes *(continued)*

1 Accounting policies *(continued)*

1.6. Impairment *(continued)*

Non-financial assets

The carrying amounts of the entity's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

1.7. Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Group Plans

The Company's employees are members of a group wide defined benefit pension plan, the Fresenius Medical Care Pension Plan ('the Plan').

As there is no contractual agreement or stated group policy for charging the net defined benefit cost of the plan to participating entities, the net defined benefit cost of the pension plan and the net defined benefit liability are recognised fully by the company which is legally responsible for the plan, which is Fresenius Medical Care (UK) Limited, another member of the group. The Company then recognises a cost equal to its contribution payable for the period.

1.8. Turnover

Turnover represents the invoiced amount for dialysis services provided to customers and is derived from activities in the United Kingdom. Revenue is recognised when the risks and rewards associated with the provision of treatments has substantially transferred, in accordance with the contract with the respective healthcare body.

1.9. Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for; differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes (continued)

2 Turnover

Turnover represents the invoiced amount for dialysis services provided to customers and is derived from the principal activity of the Company in the United Kingdom.

3 Directors' remuneration

Directors' emoluments have been borne by another group company. The directors of the company are also directors or officers of a number of the companies within the group. The directors' services to the company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the Company for the years ended 31 December 2016 or 31 December 2015.

4 Staff numbers and costs

The average number of employees, including executive directors, during the year was as follows:

	2016 Number	2015 Number
Administration	26	24
Nursing services	474	426
	500	450
	500	450

The aggregate payroll costs of these persons were as follows:

	2016 £000	2015 £000
Wages and salaries	14,835	13,368
Social security costs	1,442	1,275
Other pension costs (note 11)	345	260
	16,622	14,903
	16,622	14,903

5 Auditor's remuneration

	2016 £000	2015 £000
Audit of these financial statements	4	4
	4	4

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Fresenius Medical Care (Holdings) Limited.

Notes (continued)

6 Taxation

Total tax credit recognised in the profit and loss account

	2016 £000	2015 £000
<i>Current tax</i>		
Current tax on income for the year	498	(1)
Adjustments in respect of prior periods	-	38
	498	37
<i>Deferred tax (see note 10)</i>		
Origination and reversal of timing differences	(3)	266
Change in tax rate	(3)	(36)
Adjustments in respect of prior periods	(235)	(35)
	(241)	195
Total deferred tax	(241)	195
Total tax	257	232

Factors affecting the tax credit for the current year

The tax credit for the year is lower (2015: lower) than the standard rate of corporation tax in the UK of 20% (2015: 20.25%). The differences are explained below:

	2016 £000	2015 £000
Loss for the year	(2,219)	(1,079)
Total tax credit	(257)	(232)
	(2,476)	(1,311)
Loss excluding taxation	(2,476)	(1,311)
Tax using the UK corporation tax rate of 20% (2015: 20.25%)	(495)	(265)
Reduction in tax rate on deferred tax balances	3	36
Under/(over) provided in prior years	235	(3)
	(257)	(232)
Total tax credit included in profit or loss	(257)	(232)

Factors that may affect future current and total tax charges

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015 and a further reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. The deferred tax asset at 31 December 2016 has been calculated based on the rate of 17% substantively enacted at the balance sheet date.

Notes *(continued)*

7 Investments in subsidiaries

	Shares in group undertakings £000
<i>Cost</i>	
At beginning and end of year	300
<hr/>	
<i>Provisions</i>	
At beginning and end of year	300
<hr/>	
<i>Net book value</i>	
At 31 December 2016 and 31 December 2015	-
<hr/>	

The Company has the following investments in subsidiaries:

	Registered office address	Class of shares held	Ownership 2016 %	Ownership 2015 %
Optimal Renal Care UK Limited	Nunn Brook Road, Huthwaite, NG17 2HU	Ordinary	100	100

8 Debtors

	2016 £000	2015 £000
Trade debtors	5,336	3,629
Amounts owing from group undertakings	4,206	4,206
Deferred tax asset (note 10)	56	297
	<hr/>	<hr/>
	9,598	8,132
	<hr/>	<hr/>

9 Creditors: amounts falling due within one year

	2016 £000	2015 £000
Amounts owed to group undertakings	12,466	8,881
Other creditors including taxation and social security	376	405
Accruals	267	138
	<hr/>	<hr/>
	13,109	9,424
	<hr/>	<hr/>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

Notes (continued)

10 Deferred tax asset

Deferred tax assets are attributable to the following:

	2016 £000	2015 £000
Unused tax losses	52	290
Other	4	7
	56	297
Tax assets	56	297

In addition to the deferred tax asset above, the Company has additional unrecognised gross tax losses of £19,000 (2015: £19,000).

The amount of deferred tax expected to unwind in the next reporting period is £4,000 (2015: £7,000).

11 Pension contributions

The Company participates in a funded defined benefit pension plan for its employees as part of the Fresenius Medical Care Pension Plan ('the Plan').

This is a multi-employer scheme, contributions into which are made by companies within the Fresenius Medical Care (Holdings) Limited group.

Contributions to the Plan during the year totalled £21,000 (2015: £31,000).

Further information regarding the Plan is given in the consolidated financial statements of Fresenius Medical Care (Holdings) Limited, which can be obtained from the address given in note 13. This shows the Plan was in deficit at 31 December 2016 by £5,156,000 (2015: £2,844,000).

The company also operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £324,000 (2015: £229,000).

12 Called up share capital

	2016 £000	2015 £000
<i>Authorised, allotted, called up and fully paid:</i>		
5,210,305 'A' ordinary shares of £1 each	5,210	5,210
947,460 'B' ordinary shares of £1 each	948	948
	6,158	6,158
	6,158	6,158

Both classes of share rank pari passu.

Notes *(continued)*

13 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a wholly owned subsidiary of Fresenius Medical Care (Holdings) Limited, a company incorporated in Great Britain, whose ultimate parent company is Fresenius SE which is incorporated in Germany and is regarded as the controlling party.

The smallest group of companies which publishes consolidated financial statements and of which the company is a member is Fresenius Medical Care (Holdings) Limited. The consolidated financial statements of this company are available to the public and may be obtained from the registered office of Fresenius Medical Care (Holdings) Limited, being Nunn Brook Road, Huthwaite, Nottinghamshire, NG17 2HU.

The largest group of companies which publishes consolidated financial statements and of which the company is a member is Fresenius SE. The consolidated financial statements of this company can be obtained from Fresenius SE, Else-Kröner Strasse 1, D-61352 Bad Homburg, Germany.