

Registered number: 01072913

P3 MEDICAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2016

SATURDAY



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P3 MEDICAL LIMITED

COMPANY INFORMATION

Directors	I McEvoy S C Talbot H Modi W E Hughes
Registered number	01072913
Registered office	1 Newbridge Close Bristol BS4 4AX
Independent auditor	Hillier Hopkins LLP Chartered Accountants & Statutory Auditor Chancery House 199 Silbury Boulevard Milton Keynes MK9 1JL

P3 MEDICAL LIMITED

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P3 MEDICAL LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 OCTOBER 2016

Introduction

The directors present their report and the financial statements for the year ended 31 October 2016.

Business review

The business faced tougher trading conditions resulting from the currency impact of the decision to leave the EU together with further procurement cuts in the core NHS market. The directors have concentrated on maintaining margins and cashflow and the company is well placed to take advantage of new opportunities as they arise.

Principal risks and uncertainties

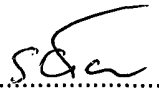
The directors believe that the main risk to the business remains the pressure being exerted by the Government on NHS Funding over the coming years and the corresponding impact on procurement. The exact nature of the outcome of EU negotiations will also be important with regard to trade, both imports and exports, and the medical device regulatory framework which is currently governed by the EU.

Financial key performance indicators

Set out below is the turnover and trading margin over the last 3 years:

	2016 £000	2015 £000	2014 £000
Turnover	5,167	5,691	6,038
Gross Profit Margin	40.5%	41.2%	37.8%

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


.....
S C Talbot
Director

Date:

25/7/17

P3 MEDICAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2016

The directors present their report and the financial statements for the year ended 31 October 2016.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' 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 the directors have 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 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £302,242 (2015 - £792,305).

No dividend will be distributed for the year ended 31 October 2016 (2015 - £nil).

Directors

The directors who served during the year were:

I McEvoy
S C Talbot
H Modi
W E Hughes

Future developments

The company is working on a number of development projects for new and innovative medical devices as part of an overall growth strategy. The improvements made to the business infrastructure in the last few years will enable the exploitation of these and other developments as they arise.

The directors believe that the company is trading sufficiently well to fund its expansion from internally generated funds.

P3 MEDICAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2016**

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

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

Auditor

The auditor, Hillier Hopkins LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



.....
S C Talbot
Director

Date: 25/12/17

P3 MEDICAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF P3 MEDICAL LIMITED

We have audited the financial statements of P3 Medical Limited for the year ended 31 October 2016, set out on pages 6 to 23. The relevant financial reporting framework that has been applied in their preparation is applicable law

and the 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'.

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.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' responsibilities statement on page 2, 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 Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion 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 October 2016 and of its profit 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.

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 for which the financial statements are prepared is consistent with those financial statements.

P3 MEDICAL LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF P3 MEDICAL LIMITED
(CONTINUED)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 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 Carter

Neal Carter ACA (Senior statutory auditor)

for and on behalf of

Hillier Hopkins LLP

Chartered Accountants

Statutory Auditor

Chancery House

199 Silbury Boulevard

Milton Keynes

MK9 1JL

Date: 26/07/17

P3 MEDICAL LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 OCTOBER 2016

	Note	2016 £	2015 £
Turnover	4	5,166,626	5,691,344
Cost of sales		(3,072,202)	(3,346,730)
Gross profit		2,094,424	2,344,614
Administrative expenses		(1,745,772)	(1,868,997)
Operating profit	5	348,652	475,617
Amounts written off investments		-	450,000
Interest receivable and similar income	9	2,435	2,799
Interest payable and expenses	10	(10,063)	(25,061)
Profit before tax		341,024	903,355
Tax on profit	11	(38,782)	(111,050)
Profit after tax		302,242	792,305
Retained earnings at the beginning of the year		1,197,455	405,150
		1,197,455	405,150
Profit for the year		302,242	792,305
Retained earnings at the end of the year		1,499,697	1,197,455
The notes on pages 8 to 23 form part of these financial statements.			

P3 MEDICAL LIMITED
REGISTERED NUMBER: 01072913

STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	13	1,355,397	1,541,714
		<u>1,355,397</u>	<u>1,541,714</u>
Current assets			
Stocks	14	890,656	838,932
Debtors: amounts falling due within one year	15	847,735	855,708
Cash at bank and in hand	16	125,447	129,576
		<u>1,863,838</u>	<u>1,824,216</u>
Creditors: amounts falling due within one year	17	(677,616)	(1,105,335)
Net current assets		<u>1,186,222</u>	<u>718,881</u>
Total assets less current liabilities		<u>2,541,619</u>	<u>2,260,595</u>
Provisions for liabilities			
Deferred tax	18	(41,922)	(63,140)
		<u>(41,922)</u>	<u>(63,140)</u>
Net assets		<u>2,499,697</u>	<u>2,197,455</u>
Capital and reserves			
Called up share capital	19	1,000,000	1,000,000
Profit and loss account	20	1,499,697	1,197,455
		<u>2,499,697</u>	<u>2,197,455</u>

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



S C Talbot
 Director

Date:

25/7/17

The notes on pages 8 to 23 form part of these financial statements.

P3 MEDICAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

1. Accounting policies

1.1 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.

Information on the impact of first-time adoption of FRS 102 is given in note 26.

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:

1.2 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 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Jardines (U.K.) Limited as at 31 October 2016 and these financial statements may be obtained from Lakeside, Shirwell Crescent, Milton Keynes, MK4 1GA.

P3 MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2016

1. Accounting policies (continued)

1.3 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:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

1.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	4	years
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1.5 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.

P3 MEDICAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

1. Accounting policies (continued)

1.5 Tangible fixed assets (continued)

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:

Freehold property	- 2% straight line
S/Term Leasehold Property	- lease period
Plant & machinery	- 10% to 20% straight line
Motor vehicles	- 25% straight line
Fixtures & fittings	- 20% straight line
Computer equipment	- 33% straight line
Assets in the course of construction	- not depreciated

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 income and retained earnings.

1.6 Stocks and work in progress

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 reporting 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.

Cost is calculated at invoiced value plus carriage, in the case of stocks being sold on, and comprises of the direct costs of bringing the stock to its present location and condition, including allocated direct overheads and transport costs in the case of manufactured stock.

1.7 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.

1.8 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.

P3 MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2016

1. Accounting policies (continued)

1.9 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.

1.10 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of income and retained earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of income and retained earnings within 'other operating income'.

1.11 Finance costs

Finance costs are charged to the Statement of income and retained earnings 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.

1.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 November 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease.

P3 MEDICAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

1. Accounting policies (continued)

1.13 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 the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown 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.

1.14 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

1.15 Borrowing costs

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

1.16 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 income and retained earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position 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 Statement of financial position.

P3 MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2016

1. Accounting policies (continued)

1.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, 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 reporting 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 Statement of financial position 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 reporting date.

2. General information

P3 Medical Limited is a company incorporated in the United Kingdom.

The principal activity of the company in the year under review was that of the manufacture and distribution of medical products.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

P3 MEDICAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

4. Turnover

The whole of the turnover is attributable to the main business activity.

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	3,514,823	4,065,633
Rest of Europe	771,169	803,640
Rest of the world	880,635	822,071
	<u>5,166,627</u>	<u>5,691,344</u>

5. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	207,117	202,330
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	7,985	10,083
Exchange differences	(4,794)	(3,038)
Other operating lease rentals	113,631	120,922
Defined contribution pension cost	33,663	35,428
	<u>336,502</u>	<u>367,715</u>

6. Auditor's remuneration

Audit of the Company's annual financial statements	7,985	10,083
Taxation compliance services	1,375	2,750
	<u>9,360</u>	<u>12,833</u>

P3 MEDICAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	1,381,200	1,492,039
Social security costs	113,575	112,299
Cost of defined contribution scheme	33,663	35,428
	<u>1,528,438</u>	<u>1,639,766</u>

The average monthly number of full time equivalent employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Production	62	62
Sales	4	8
Administration	2	2
	<u>68</u>	<u>72</u>

The actual number of average employees during the year is 73 (2015 - 77).

8. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	92,349	83,851
Company contributions to defined contribution pension schemes	4,800	4,800
	<u>97,149</u>	<u>88,651</u>

During the year retirement benefits were accruing to 1 director (2015 - 1) in respect of defined contribution pension schemes.

9. Interest receivable

	2016 £	2015 £
Other interest receivable	<u>2,435</u>	<u>2,799</u>

P3 MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016

10. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	1,149	5,781
Loans from group undertakings	8,914	19,280
	<u>10,063</u>	<u>25,061</u>

11. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	60,000	116,195
Adjustments in respect of previous periods	-	(18,429)
Total current tax	<u>60,000</u>	<u>97,766</u>
Deferred tax		
Origination and reversal of timing differences	(21,218)	13,284
Total deferred tax	<u>(21,218)</u>	<u>13,284</u>
Taxation on profit on ordinary activities	<u>38,782</u>	<u>111,050</u>

P3 MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016

11. Taxation (continued)

Factors affecting tax charge for the year

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

	2016 £	2015 £
Profit on ordinary activities before tax	341,024	903,355
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	68,205	180,671
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	858	8,225
Capital allowances for year in excess of depreciation	(8,277)	28,229
Adjustments to tax charge in respect of prior periods	-	(18,429)
Non-taxable income	-	(90,000)
Group relief	(22,004)	-
Change in tax rate	-	2,354
Total tax charge for the year	38,782	111,050

Factors that may affect future tax charges

On 8 July 2015 the Chancellor of the Exchequer announced a reduction in the main rate of UK corporation tax to 19 per cent with effect from 1 April 2017 and 18 per cent with effect from 1 April 2020. These changes were substantively enacted on 26 October 2015.

P3 MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016

12. Intangible assets

	Goodwill £
Cost	
At 1 November 2015 and 31 October 2016	2,541,405
Amortisation	
At 1 November 2015 and 31 October 2016	2,541,405
Net book value	
At 31 October 2016 and 2015	-

P3 MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016

13. Tangible fixed assets

	Freehold property £	Plant & motor vehicles £	Fixtures & fittings £	In course of construction £	Total £
Cost or valuation					
At 1 November 2015	1,003,700	1,812,408	322,035	50,219	3,188,362
Additions	-	38,950	11,558	-	50,508
Disposals	-	-	-	(29,708)	(29,708)
Transfers between classes	-	12,721	-	(12,721)	-
At 31 October 2016	1,003,700	1,864,079	333,593	7,790	3,209,162
Depreciation					
At 1 November 2015	130,137	1,249,498	267,013	-	1,646,648
Charge for the year on owned assets	30,154	162,010	14,953	-	207,117
At 31 October 2016	160,291	1,411,508	281,966	-	1,853,765
Net book value					
At 31 October 2016	843,409	452,571	51,627	7,790	1,355,397
At 31 October 2015	873,563	562,910	55,022	50,219	1,541,714

P3 MEDICAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

14. Stocks

	2016	2015
	£	£
Raw materials and consumables	262,927	269,515
Work in progress (goods to be sold)	14,728	8,633
Finished goods and goods for resale	613,001	560,784
	890,656	838,932

Stock recognised in cost of sales during the year as an expense was £2,078,237 (2015 - £2,363,586).

An impairment loss of £14,301 (2015 - £9,724) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

15. Debtors

	2016	2015
	£	£
Trade debtors	602,658	589,952
Other debtors	113,210	138,449
Prepayments and accrued income	131,867	127,307
	847,735	855,708

Included within other debtors due within one year is a loan to S C Talbot, a director, amounting to £77,806 (2015 - £80,146). Amounts repaid during the year totalled £2,340. The main conditions were as follows:

The loan to S Talbot has no fixed repayment terms, and carries interest at 3% on the outstanding balance. Interest of £2,467 (2015 - £2,690) has been charged and is included in prepayments and accrued income.

The director's current account is unlikely to all be repaid within 12 months of the balance sheet date.

16. Cash and cash equivalents

	2016	2015
	£	£
Cash at bank and in hand	125,447	129,576

P3 MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016

17. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank loans	-	89,483
Trade creditors	269,246	311,638
Amounts owed to group undertakings	154,939	346,025
Corporation tax	59,415	116,577
Other taxation and social security	81,788	86,445
Other creditors	17,028	4,498
Accruals and deferred income	95,200	150,669
	<u>677,616</u>	<u>1,105,335</u>

The bank loan has a legal charge on the property, and the assets of the company.

The inter-group balance has no fixed repayment terms and interest is being charged at 2.25% (2015 - 2.5%).

18. Deferred taxation

	2016 £	2015 £
At beginning of year	63,140	49,856
Charged to profit or loss	(21,218)	13,284
At end of year	<u>41,922</u>	<u>63,140</u>

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	<u>41,922</u>	<u>63,140</u>

P3 MEDICAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

19. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

20. Reserves

Profit & loss account

The profit and loss reserve includes all current and prior retained period profits and losses.

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 £33,662 (2015 - £35,428). The amount outstanding at the year end and included in creditors is £4,762 (2015 - £4,499).

22. Commitments under operating leases

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

	2016 £	2015 £
Land and buildings		
Not later than 1 year	45,996	69,450
Later than 1 year and not later than 5 years	38,330	84,326
	<u>84,326</u>	<u>153,776</u>
	2016 £	2015 £
Other		
Not later than 1 year	19,161	35,392
Later than 1 year and not later than 5 years	7,397	22,873
	<u>26,558</u>	<u>58,265</u>

P3 MEDICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2016

23. Related party transactions

During the year insurance costs of £11,123 (2015 - £9,439) were paid to Allied Westminster (insurance Services) Limited, an associate company of the parent company, Jardines (UK) Limited. All transactions were in the ordinary course of business. At the year end the balance owed to them was £nil (2015 - £nil.)

During the year consultancy cost of £52,318 (2015 - £26,995) were paid to Greybeard Solution Limited, a company which Mr I McEvoy owns 100% of share capital. All transactions were in the ordinary course of business. At the year end the balance owed to them was £5,985 (2015 - £4,389).

During the prior year the inter-company balance of £450,000 with Promedica UK Limited, a fellow subsidiary was written off.

24. Controlling party

The company is a wholly owned subsidiary of P3 Medical Group Limited.

The ultimate parent company is Jardines (UK) Limited. Copies of the consolidated financial statements can be obtained from:

Lakeside
Shirwell Crescent
Milton Keynes
MK4 1GA

Consequently no disclosure has been made of transactions with other group entities.

The ultimate controlling party is Mr H Modi.

25. Contingent Liabilities

The company and P3 Medical Group Limited and Promedica Limited have entered into an agreement with Bank of Scotland to guarantee unconditionally on a joint and several basis, any liability to the bank against all group assets in any company.

The bank holds a debenture giving a fixed and floating charge over the whole assets of the company.

26. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.