

## **DaVita International Limited**

### **Company Information**

#### **Directors**

S. Caldwell (appointed 16 October 2017, resigned 1 July 2019)  
J. Hilger (appointed 16 October 2017, resigned 1 July 2019)

R. Lang (appointed 16 October 2017)  
V. Jegou (appointed 1 July 2018)  
K. Singh (appointed 1 July 2018)

#### **Auditor**

KPMG LLP  
3 Longbridge Rd  
Plymouth  
UK  
PL6 8LT

#### **Registered office**

Floor 3 Building 7  
Chiswick Park  
566 Chiswick High Road  
London, W4 5YA, United Kingdom

#### **Registered number**

11015209



**DaVita International Limited**

**Registered number:** 11015209

**Directors' Report**

The directors present their report and accounts for the period from 16 October 2017 to 31 December 2018. The Company has taken advantage of Section 414A(2) Companies Act (Strategic report and Directors' report) Regulations 2013 not to prepare a strategic report.

**Principal activities**

The principal activities of the company during the period are providing general and administrative services to group companies.

**Group structure**

The company forms part of a group headed by DaVita Inc, incorporated in the United States of America.

**Results for the year**

The results for the year are presented in the profit and loss account on page 7. The directors do not recommend the payment of a dividend.

**Future developments**

No changes to the structure or the business of the company is planned. The company will continue to provide administrative services to other group companies.

**Directors**

The directors who served the company during the period and up to the date of approval of these financial statements were as follows:

R. Lang  
V. Jegou  
K. Singh

**Charitable and political donations**

The company made no political contributions during the period. Donations to UK charities amount to nil.

**Disclosure of information to auditor**

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 auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Auditor**

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

This report was approved by the Board on 27 August 2019 and signed on its behalf.

  
Vincent Jegou  
Director

## **DaVita International Limited**

### **Statement of Directors' Responsibilities in Respect of The Directors' Report and the Financial Statements**

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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 DaVita International Limited**

### **Opinion**

We have audited the financial statements of DaVita International Limited ("the company") for the period ended 31 December 2018 which comprise the profit and loss account, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **The impact of uncertainties due to the UK exiting the European Union on our audit**

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt

## **Independent Auditor's Report to the Members Of DaVita International Limited (Continued)**

over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

### **Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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 from the requirement to prepare a strategic report.

## **Independent Auditor's Report to the Members Of DaVita International Limited (Continued)**

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.

*Ian Brokenshire*

**Ian Brokenshire (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor**

**Chartered Accountants**  
3 Longbridge Rd  
Plymouth  
UK  
PL6 8LT

27 August 2019

**DàVita International Limited**

**Profit and Loss Account**

**For the period 16 October 2017 to 31 December 2018**

		<b>From 16 October 2017 to 31 December 2018 £ 000</b>
	<b>Notes</b>	
<b>Turnover</b>	<b>2</b>	<b>5,127</b>
<b>Cost of sales</b>		<b>(16,115)</b>
<b>Gross loss</b>		<b>(10,988)</b>
<b>Administrative expenses</b>		
Administrative expenses	<b>3</b>	<b>(865)</b>
<b>Operating loss</b>		<b>(11,853)</b>
<b>Loss before taxation</b>		<b>(11,853)</b>
<b>Tax on loss</b>		
<b>Loss for the financial year</b>		<b>(11,853)</b>

**Continuing operations**

Profits are all from continuing activities.

There is no other comprehensive income for the current year other than as stated in the profit and loss account and, accordingly, no separate statement of other comprehensive income is presented.

The notes on pages 10 to 18 form part of these financial statements.

**DaVita International Limited**

**Balance Sheet**

**As at 31 December 2018**

	Notes	31 December 2018 £ 000
<b>Fixed assets</b>		
Tangible assets	6	121
<b>Current assets</b>		
Debtors	7	5,638
Cash at bank and in hand	8	1,683
		7,321
Creditors: amounts falling due within one year	9	(13,416)
Net current liabilities		(6,095)
<b>Total assets less current liabilities</b>		<b>(5,974)</b>
<b>Net liabilities</b>		<b>(5,974)</b>
<b>Capital and reserves</b>		
Share capital, 0 due to rounding		0
Share premium		5,879
Profit and loss account		(11,853)
<b>Shareholders' funds</b>		<b>(5,974)</b>

Approved by the board on 27 August 2019 and signed on its behalf by:

  
Vincent Jegou  
Director

Company registered number: 11015209

The notes on pages 10 to 18 form part of these financial statements.

**DaVita International Limited**

**Statement of Changes in Equity**

**For the period from 16 October 2017 to 31 December 2018**

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
<b>At 16 October 2017</b>				
<b>Initial share issue</b>				
<b>Additional paid in capital</b>		5,879		5,879
<b>Loss for the year</b>			(11,853)	(11,853)
<b>At 31 December 2018</b>	-	5,879	(11,853)	(5,974)

The notes on pages 10 to 18 form part of these financial statements.

## **DaVita International Limited**

### **Notes to the financial statements**

#### **1 Accounting policies**

DaVita International Limited (the "Company") is a Company limited by shares and incorporated and domiciled in England UK with registered office Floor 3 Building 7, Chiswick Park, 566 Chiswick High Road, London, W4 5YA, United Kingdom.

These financial statements are prepared in accordance with Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

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.

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

##### **1.1 Group structure**

The Company forms part of a group, headed by DaVita Inc., incorporated in Delaware, United States of America.

##### **1.2 Measurement convention**

The financial statements are prepared on the historical cost basis.

##### **1.3 Going concern**

These financial statements have been prepared on a going concern basis.

In their going concern assessment, the Directors of the Company have considered both the net liability position and expected future losses of the Company and the fact that it has the full financial support of the group parent company (DaVita Inc). As a result this support, the financial statements have been prepared on a going concern basis.

#### **1.4 Financial instruments**

Financial instruments include both primary financial instruments, such as receivables and liabilities, and financial derivatives. Reference is made to the treatment per balance sheet item for the principles of primary financial instruments. The company does not use financial derivatives.

##### *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.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise of cash balances and call deposits.

##### ***Impairment excluding stocks and deferred tax assets***

###### *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.

#### **1.5 Translation of foreign currency**

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing as at balance sheet date. Transactions in foreign currency during the financial period are recognised in the financial statements at the exchange rates prevailing at transaction date. The exchange differences resulting from the translation as at balance sheet date, taking into account possible hedge transactions, are recorded in the profit and loss account.

### **1.6 Tangible fixed assets**

Tangible fixed assets are presented at cost less accumulated depreciation and, if applicable, less impairments. Depreciation is based on the expected future useful life of the asset. Depreciation is provided from the date an asset comes into use.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives.

The estimated useful lives are as follows:

- |  |               |
|--|---------------|
| • Fixture, fittings, tools and equipment | 3 to 15 years |
| • Leasehold improvement                  | 10 years      |

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

### **1.7 Provisions**

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

### **1.8 Turnover**

Revenues from services are recognised in proportion to the services rendered, based on the cost incurred in respect of the services performed up to balance sheet date, in proportion to the estimated costs of the aggregate services to be performed. The cost price of these services is allocated to the same period.

### **1.9 Expenses**

#### ***Operating lease***

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

### ***1.10 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 between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, [associates, branch, joint ventures] 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 provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

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.

### ***1.11 Employee benefits, defined contribution plan and other long-term employee benefits***

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 period during which services are rendered by employees.

## 2 Analysis of turnover

By activity:	£ 000
Support services	<u>5,127</u>
By geographical market:	
Asia	4,338
Middle East	<u>789</u>
	<u>5,127</u>

## 3 Expenses and auditor's remuneration

Included in the loss are the following:

	£ 000
Depreciation expense	4
Foreign exchange loss	4
Auditor's remuneration:	£ 000
Audit of these financial statements	20

## 4 Staff numbers and costs

The aggregate payroll costs of people employed by the Company (including directors) during the period, were as follows:

	£ 000
Wages and salaries	4,176
Social security costs	528
Other pension costs	57
Employee benefits	42
	<u>4,803</u>

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

Average number of employees during the year including directors	
Administration	<u>13</u>

## 5 Directors' remuneration

Directors' remuneration for the period was as follows:

	£ 000
Salary	929
Bonus	350
Car Allowance	26
	<u>1,305</u>

The remuneration of the highest paid director for the period was £873,000 and company pension contributions of £17,000 were made on their behalf.

## 6 Tangible fixed assets

	Fixture, fittings, tools and equipment £ 000	Leasehold improvements £ 000	Total £ 000
<b>Cost</b>			
Additions	103	22	124
Disposals	-	-	-
At 31 December 2018	<u>102</u>	<u>22</u>	<u>124</u>
<b>Depreciation</b>			
Depreciation charge for the period	4	-	4
On disposals	-	-	-
At 31 December 2018	<u>4</u>	<u>-</u>	<u>4</u>
<b>Net book value</b>			
At 31 December 2018	<u>99</u>	<u>22</u>	<u>121</u>

## 7 Debtors

£ 000

Amounts owed by group undertakings	5,131
Other debtors	425
Prepayments and accrued income	82
	<u>5,638</u>

Amounts owed by group undertakings falling due within one year are interest free, have no fixed date of repayment and are repayable on demand.

## 8 Cash and cash equivalents

£ 000

Cash at bank and in hand	<u>1,683</u>
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## 9 Creditors: amounts falling due within one year

£ 000

Amounts owed to group undertakings	9,753
Accruals and deferred income	2,238
Trade creditors	1,425
	<u>13,416</u>

## 10 Deferred tax assets and liabilities

£ 000

Loss for the period	<u>(11,853)</u>
Corporation tax at standard rates	<u>(2,252)</u>
Effects of:	
Expenses not deductible for tax purposes	0
Deferred tax movement not recognised	<u>2,252</u>
Total tax expense	<u>-</u>

The main rate of UK corporation tax for the period to 31 December 2018 was 19%. There is an unrecognised deferred tax asset of £2,252,000 from the period, relating to tax value of losses carried forward, which management believe will not be utilised in the foreseeable future.

A reduction in the UK corporation tax rate from 19% to 18% (effective 1 April 2020) was substantively enacted on 26 October 2015, and an additional reduction 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 March 2019 has been calculated based on these rates.

#### **11 Pension commitments**

The Company operates defined contribution pension schemes. The pension cost for the period represents contributions payable by the Company to the schemes and amounted to £57,000. The outstanding contribution at the end of the period was £11,000.

#### **12 Operating leases**

Non-cancellable operating lease rentals are payable as follows:

	£ 000
Less than one year	377
Between one and five years	1,644
	<u>2,021</u>

During the year, £332,827 was recognized as an expense in the profit and loss account in respect of non-cancelable operating leases.

#### **13 Ultimate parent company**

The Company is a subsidiary undertaking of DaVita Inc.

Results of the Company are included in the consolidated financials of DaVita Inc, headquartered in Denver, Colorado USA. The consolidated financial statements of DaVita Inc are available online with the Securities and Exchange Commission [www.sec.gov](http://www.sec.gov)

#### 14 Related parties

	Sales to	Administrative expenses incurred from
	£ 000	£ 000
DaVita Care Pte Ltd	3,108	
DaVita Care (Saudi Arabia)	789	
DaVita Hospital Management Consulting (Shanghai) Co.	331	
DaVita Care Taiwan	899	
<b>Total Renal Care</b>		<b>6,311</b>
DV Care Netherlands BV		<b>3,409</b>
	<b>5,127</b>	<b>9,720</b>
	Receivables outstanding £ 000	Creditors outstanding £ 000
DaVita Care Pte Ltd	3,114	
DaVita Care (Saudi Arabia)	785	
DaVita Hospital Management Consulting (Shanghai) Co.	330	
DaVita Care Taiwan	902	
<b>Total Renal Care</b>		<b>6,310</b>
DV Care Netherlands BV		<b>3,443</b>
	<b>5,131</b>	<b>9,753</b>