

SAFETY FIRST AID GROUP LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2022

Menzies LLP
Chartered Accountants and Statutory Auditors
Richmond House
Walkern Road
Stevenage
Hertfordshire
SG1 3QP

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FOR THE YEAR ENDED 31ST DECEMBER 2022**

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SAFETY FIRST AID GROUP LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2022

Directors: R J Froomberg
B H Froomberg

Secretary: R J Froomberg

Registered office: Avenue One
Letchworth Garden City
North Hertfordshire
SG6 2WW

Registered number: 00622741 (England and Wales)

Auditors: Menzies LLP
Chartered Accountants and Statutory Auditors
Richmond House
Walkern Road
Stevenage
Hertfordshire
SG1 3QP

**STRATEGIC REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2022**

The directors present their strategic report for the year ended 31st December 2022.

Review of business

The business made a loss before tax of -£747k compared with 2021 -£269.5k.

The business invested significantly to set up its new site in Hertfordshire, consolidating the warehouse and office sites. This allowed a more streamlined operation and supports the longer-term business strategy. There were significant exceptional costs associated to the site relocation. These included property costs and refurbishment, relocation costs, building dilapidation and associated staffing costs.

2021 saw unprecedented increases in freight costs which remained in 2022, associated to Covid 19 and Brexit. Inbound freight costs doubled compared to pre-pandemic levels.

The business has seen margin remain stable year-on-year despite increased costs noted above. The stock turnover and sales during the pandemic was unprecedented and it is not expected to return to this level.

The rationalisation of the product range during the latter part of 2021 and into 2022 has made the business more efficient with improvement made to stock integrity and operational performance.

Despite the losses sustained in 2021/2022, the balance sheet remains strong and cash balances remain healthy to enable us to move the business forward into 2023 and return to profit.

The total cost of the above impact and investment included in the accounts is £734k.

Principal risks and uncertainties

The business imports goods into the country for resale meaning there is a risk associated with gains/losses on foreign exchange. This is mitigated by strategic planning of purchases, competitive rates with our suppliers and competitive rates with our foreign exchange partners using forward contracts.

The risks associated to Covid 19 has been greatly reduced. The increases in freight charges that the business saw post pandemic have stabilised and rates have returned to manageable levels.

The business has mitigated risk by ensuring it services multiple market sectors and has a wide customer portfolio.

Key performance indicators

A range of key performance indicators are used by the business to monitor performance. These include sales performance, tracking overheads, gross profit performance, cash flow modelling and staff key performance indicators.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2022**

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

On behalf of the board:

R J Froomberg - Director

27th September 2023

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2022**

The directors present their report with the financial statements of the company for the year ended 31st December 2022.

Statement of director's responsibilities

The director is responsible for preparing the Strategic report, the Report of the director and the financial statements in accordance with applicable law and regulations.

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

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. 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.

Dividends

The loss for the year, after taxation, amounted to £747,581 (2021 - £269,528).

Interim dividends of £186,000 were paid during the year (2021 - £225,000).

Directors

The directors shown below have held office during the whole of the period from 1st January 2022 to the date of this report.

R J Froomberg
B H Froomberg

Future developments

The future developments of the business are disclosed in the Strategic Report.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2022**

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Post balance sheet events

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

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, the Report of the directors 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 and then apply them consistently;
- make judgements 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 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.

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2022**

Auditors

During the year, Menzies LLP were appointed as auditor to the company.

Under section 487 (2) of the Companies Act 2006, Menzies LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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

On behalf of the board:

R J Froomberg - Director

27th September 2023

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SAFETY FIRST AID GROUP LIMITED**

Opinion

We have audited the financial statements of Safety First Aid Group Limited (the 'company') for the year ended 31st December 2022 which comprise the Statement of comprehensive income, Statement of financial position, Statement of changes in equity and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SAFETY FIRST AID GROUP LIMITED**

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic report and the Report of the directors, but does not include the financial statements and our Report of the auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Report of the directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Report of the directors.

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.

Responsibilities of directors

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SAFETY FIRST AID GROUP LIMITED**

Auditors' responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory framework applicable to the company and the sector in which they operate. We determined that the following laws and regulations were most significant: the Companies Act 2006 and UK corporate taxation laws.
- We obtained an understanding of how the company is complying with those legal and regulatory frameworks by making inquiries to the management. We corroborated our inquiries through our review of board minutes and papers provided by those charged with governance.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team include:
 - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - challenging assumptions and judgments made by management in its significant accounting estimates;
 - identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
 - assessing the extent of compliance with the relevant laws and regulations.
- We have reviewed the financial statements and considered whether they are consistent with our understanding of the entity or indicate a previously unrecognised risk of material misstatement that could be due to fraud.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SAFETY FIRST AID GROUP LIMITED**

Use of our report

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

J E Fox ACA FCCA (Senior Statutory Auditor)
for and on behalf of Menzies LLP
Chartered Accountants and Statutory Auditors
Richmond House
Walkern Road
Stevenage
Hertfordshire
SG1 3QP

27th September 2023

**STATEMENT OF COMPREHENSIVE
INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2022**

	Notes	2022 £	2021 £
REVENUE	4	9,254,821	8,950,682
Cost of sales		<u>(5,886,903)</u>	<u>(5,931,869)</u>
GROSS PROFIT		3,367,918	3,018,813
Distribution costs		(884,665)	(646,090)
Administrative expenses		<u>(3,188,115)</u>	<u>(2,846,413)</u>
		(704,862)	(473,690)
Other operating income		-	142,269
OPERATING LOSS		<u>(704,862)</u>	<u>(331,421)</u>
Cost of sales - exceptional	6	<u>(194,160)</u>	-
		(899,022)	(331,421)
Interest receivable and similar income	7	-	475
		<u>(899,022)</u>	<u>(330,946)</u>
Interest payable and similar expenses	8	<u>(18,004)</u>	<u>(3,923)</u>
LOSS BEFORE TAXATION	9	<u>(917,026)</u>	<u>(334,869)</u>
Tax on loss	11	<u>169,445</u>	<u>65,341</u>
LOSS FOR THE FINANCIAL YEAR		<u>(747,581)</u>	<u>(269,528)</u>
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(747,581)</u>	<u>(269,528)</u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31ST DECEMBER 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Intangible assets	13	29,753	48,545
Property, plant and equipment	14	517,553	458,872
Investments	15	123	123
		<u>547,429</u>	<u>507,540</u>
CURRENT ASSETS			
Inventories	16	1,714,211	1,723,413
Debtors	17	3,418,066	3,612,312
Cash at bank		213,410	1,057,194
		<u>5,345,687</u>	<u>6,392,919</u>
CREDITORS			
Amounts falling due within one year	18	(2,297,264)	(2,331,186)
NET CURRENT ASSETS		<u>3,048,423</u>	<u>4,061,733</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,595,852</u>	<u>4,569,273</u>
CREDITORS			
Amounts falling due after more than one year	19	(170,262)	-
PROVISIONS FOR LIABILITIES	22	-	(210,102)
NET ASSETS		<u>3,425,590</u>	<u>4,359,171</u>
CAPITAL AND RESERVES			
Called up share capital	23	100	100
Retained earnings	24	3,425,490	4,359,071
SHAREHOLDERS' FUNDS		<u>3,425,590</u>	<u>4,359,171</u>

The financial statements were approved by the Board of Directors and authorised for issue on 27th September 2023 and were signed on its behalf by:

R J Froomberg - Director

The notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2022**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1st January 2021	-	4,853,599	4,853,599
Changes in equity			
Issue of share capital	100	-	100
Dividends	-	(225,000)	(225,000)
Total comprehensive income	-	(269,528)	(269,528)
Balance at 31st December 2021	<u>100</u>	<u>4,359,071</u>	<u>4,359,171</u>
Changes in equity			
Dividends	-	(186,000)	(186,000)
Total comprehensive income	-	(747,581)	(747,581)
Balance at 31st December 2022	<u>100</u>	<u>3,425,490</u>	<u>3,425,590</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022**

1. STATUTORY INFORMATION

Safety First Aid Group Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 3.17(d);
- the requirement of paragraph 33.7.

Significant judgements and estimates

No significant judgements or estimates have had to be made by the directors in preparing these financial statements.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

3. ACCOUNTING POLICIES - continued

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following judgements which also include estimates have been made in applying the above accounting policies:

(a) Debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

(b) Useful economic life of goodwill

The useful economic life of the goodwill arising on consolidation is subject to estimation. In line with FRS 102, the directors have determined that the goodwill should be amortised over a 10 or 20 year period, the maximum amount allowed, given that the business have strong financial performance. Should the performance of the businesses change in the future, the directors will amend their estimate of the useful economic life of the goodwill.

(c) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

(d) Stock provisioning

The Company assembles and installs processing stations and is subject to changing cost prices. As a result it is necessary to consider the recoverability of the cost of stock and the associated provisioning required. When calculating the stock provision, management considered the nature and condition of the stock, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022**

3. ACCOUNTING POLICIES - continued

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.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business and being amortised evenly over its estimated useful life.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

3. ACCOUNTING POLICIES - continued

Property, plant and equipment

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold properties - 20% straight line over the life of the lease

Plant and machinery - 20% straight line

Motor vehicles - 20% straight line

Fixtures and fittings - 20% straight line

Office equipment - 20% straight line

Computer equipment - 20% straight line

Website development - 20% straight line

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 profit or loss.

Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each 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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

3. ACCOUNTING POLICIES - continued

Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

(i) Financial assets

Basic financial assets, including trade and other debtors, and amounts due from related companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Income and Retained Earnings.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors and accruals, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

3. **ACCOUNTING POLICIES - continued**

Tax

Tax for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred tax assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the income statement on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

3. ACCOUNTING POLICIES - continued**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.

4. REVENUE

The revenue and loss before taxation are attributable to the principal activities of the company.

An analysis of revenue by class of business is given below:

	2022	2021
	£	£
Medical units and equipment	8,101,313	7,772,415
Recruitment and training	1,153,508	1,178,267
	<u>9,254,821</u>	<u>8,950,682</u>

5. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	2,484,006	2,540,728
Social security costs	165,930	150,163
Other pension costs	37,040	38,310
	<u>2,686,976</u>	<u>2,729,201</u>

The average number of employees during the year was as follows:

	2022	2021
Employees	<u>81</u>	<u>65</u>
	2022	2021
	£	£
Directors' remuneration	<u>28,144</u>	<u>19,944</u>

6. EXCEPTIONAL ITEMS

	2022	2021
	£	£
Cost of sales - exceptional	<u>(194,160)</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

Included within cost of sales are exceptional items totalling £194,160 in relation to restructuring costs as detailed in the strategic report.

7. INTEREST RECEIVABLE AND SIMILAR INCOME

Interest income is recognised in profit or loss using the effective interest method.

8. INTEREST PAYABLE AND SIMILAR EXPENSES

Finance costs are charged to profit or loss 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.

9. LOSS BEFORE TAXATION

The loss is stated after charging:

	2022	2021
	£	£
Hire of plant and machinery	16,254	29,118
Other operating leases	256,066	315,637
Depreciation - owned assets	130,766	130,636
Loss on disposal of fixed assets	1,372	19,228
Goodwill amortisation	<u>18,792</u>	<u>30,008</u>

10. AUDITORS' REMUNERATION

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

11. TAXATION

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	2022	2021
	£	£
Current tax:		
UK corporation tax	6,211	(95,603)
Deferred tax	<u>(175,656)</u>	<u>30,262</u>
Tax on loss	<u>(169,445)</u>	<u>(65,341)</u>

UK corporation tax has been charged at 19% .

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

11. TAXATION - continued

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 rules 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 reserved by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probably 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.

12. DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

13. INTANGIBLE FIXED ASSETS

	Goodwill
	£
Cost	
At 1st January 2022	
and 31st December 2022	<u>567,472</u>
Amortisation	
At 1st January 2022	518,927
Amortisation for year	<u>18,792</u>
At 31st December 2022	<u>537,719</u>
Net book value	
At 31st December 2022	<u>29,753</u>
At 31st December 2021	<u>48,545</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

14. PROPERTY, PLANT AND EQUIPMENT

	Long leasehold £	Plant and machinery £	Fixtures and fittings £
Cost			
At 1st January 2022	240,217	62,913	367,651
Additions	52,460	18,910	30,356
Disposals	(3,242)	(10,250)	(140,261)
At 31st December 2022	<u>289,435</u>	<u>71,573</u>	<u>257,746</u>
Depreciation			
At 1st January 2022	4,210	12,997	278,588
Charge for year	34,016	10,058	34,253
Eliminated on disposal	(1,296)	(8,200)	(139,872)
At 31st December 2022	<u>36,930</u>	<u>14,855</u>	<u>172,969</u>
Net book value			
At 31st December 2022	<u>252,505</u>	<u>56,718</u>	<u>84,777</u>
At 31st December 2021	<u>236,007</u>	<u>49,916</u>	<u>89,063</u>
	Motor vehicles £	Computer equipment £	Totals £
Cost			
At 1st January 2022	62,500	220,464	953,745
Additions	89,510	4,510	195,746
Disposals	-	(10,869)	(164,622)
At 31st December 2022	<u>152,010</u>	<u>214,105</u>	<u>984,869</u>
Depreciation			
At 1st January 2022	58,270	140,808	494,873
Charge for year	22,132	30,307	130,766
Eliminated on disposal	-	(8,955)	(158,323)
At 31st December 2022	<u>80,402</u>	<u>162,160</u>	<u>467,316</u>
Net book value			
At 31st December 2022	<u>71,608</u>	<u>51,945</u>	<u>517,553</u>
At 31st December 2021	<u>4,230</u>	<u>79,656</u>	<u>458,872</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

14. PROPERTY, PLANT AND EQUIPMENT - continued

Included within the net book value of £517,553, is £152,296 relating to assets held under hire purchase agreements.

15. FIXED ASSET INVESTMENTS

**Shares in
group
undertakin
£**

Cost

At 1st January 2022
and 31st December 2022

123

Net book value

At 31st December 2022
At 31st December 2021

123

123

16. INVENTORIES

	2022	2021
	£	£
Finished goods	<u>1,714,211</u>	<u>1,723,413</u>

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	1,887,379	1,898,000
Amounts owed by group undertakings	1,326,550	1,377,309
Other debtors	3,141	79,895
Directors' current accounts	-	2,207
Tax	32,622	95,603
VAT	-	66,580
Deferred tax asset	115,554	-
Prepayments and accrued income	<u>52,820</u>	<u>92,718</u>
	<u>3,418,066</u>	<u>3,612,312</u>

Deferred tax asset

	2022
	£
Accelerated capital allowances	(107,122)
Tax losses carried forward	<u>222,676</u>
	<u>115,554</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 20)	868,673	-
Hire purchase contracts (see note 21)	40,894	-
Trade creditors	1,208,739	1,023,607
Tax	-	782,250
Social security and other taxes	76,488	42,344
VAT	70,152	-
Other creditors	5,151	247,610
Accruals and deferred income	27,167	235,375
	<u>2,297,264</u>	<u>2,331,186</u>

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Hire purchase contracts (see note 21)	<u>170,262</u>	<u>-</u>

The following liabilities were secured:

Proceeds of invoice discounting from Lloyds Bank are secured on the trade debtors of the company.

HSBC has a fixed and floating charge over the assets of the company in respect of the bank loan above, including the property at Avenue One, Letchworth Garden City, North Hertfordshire, England, SG6 2WW.

The hire purchase liabilities are secured on the specific assets to which they relate.

20. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	618,671	-
Bank loans	<u>250,002</u>	<u>-</u>
	<u>868,673</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

21. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2022	2021
	£	£
Net obligations repayable:		
Within one year	40,894	-
Between one and five years	<u>170,262</u>	<u>-</u>
	<u>211,156</u>	<u>-</u>
	Non-cancellable	operating
	2022	2021
	£	£
Within one year	18,342	17,514
Between one and five years	<u>6,967</u>	<u>-</u>
	<u>25,309</u>	<u>17,514</u>

22. PROVISIONS FOR LIABILITIES

	Deferred Tax
	£
Balance at 1st January 2022	60,102
Credit to Income statement during year	<u>(175,656)</u>
Balance at 31st December 2022	<u><u>(115,554)</u></u>

The provisions as at 31st December 2021 include dilapidation's of £150,000 which has been released to profit and loss during the year.

23. CALLED UP SHARE CAPITAL

Allotted and issued:				
Number:	Class:	Nominal value:	2022	2021
			£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

24. RESERVES

	Retained earnings £
At 1st January 2022	4,359,071
Deficit for the year	(747,581)
Dividends	(186,000)
At 31st December 2022	<u>3,425,490</u>

25. PENSION COMMITMENTS**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 payments obligations.

The contributions are recognised as an expense in profit or loss 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.

26. ULTIMATE CONTROLLING PARTY

The ultimate parent undertaking is RJF Property Investments Limited, a company incorporated in England & Wales with the registered office being Avenue One, Letchworth Garden City, Hertfordshire, SG6 2WW.

The ultimate controlling party is R Froomberg.

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