

Company Registration No. 01592283 (England and Wales)

FORUM HEALTH PRODUCTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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FORUM HEALTH PRODUCTS LIMITED

COMPANY INFORMATION

Directors	Mr N J Copp Mr A J Litchfield
Secretary	N Copp
Company number	01592283
Registered office	Crown House 2-8 Gloucester Road Redhill Surrey RH1 1FH
Auditor	Moore (South) LLP Priory House Pilgrims Court Sydenham Road Guildford Surrey GU1 3RX

FORUM HEALTH PRODUCTS LIMITED

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FORUM HEALTH PRODUCTS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the strategic report for the year ended 31 December 2020.

The principal activity of the company in the year under review was distribution of Department of Health prescription products.

Fair review of the business

The directors critically review the business during the year by comparing performance against agreed key performance indicators, such as turnover, gross profit, overheads and working capital.

Turnover for the year ended 31 December 2020 amounted to £76.2m compared to £78.3m for the previous year. This equates to 2.7% reduction in turnover, which was primarily owing to less elective procedures being carried out in hospitals during the year because of COVID-19, furthermore there were short term stock availability issues in respect of certain products. Gross profit decreased to £1.2m from £1.3m as a consequence.

Overheads in the year ended 31 December 2020 amounted to £0.3m which was as per the previous year. Overall operating profit for 2020 was £0.9m compared to £1.0m in 2019.

The directors continue to plan the future development of the business through building new commercial partnerships across its Department of Health business activities.

The directors are satisfied with the results for the period.

Net current assets and shareholders' funds at 31 December 2020 of £1.3m decreased £0.9m versus the value at 31 December 2019.

Outlook for 2021

Turnover, gross margin and overheads in 2021 is expected to be in line with the 2020 result, however there could be modest growth if hospitals can start to carry out more elective procedures once the patient numbers in hospitals with COVID-19 subsides to manageable levels.

The company will continue to optimise working capital.

FORUM HEALTH PRODUCTS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Principal risks and uncertainties

The company's operations expose it to a variety of financial risks that include credit risk and liquidity risk. The company has put in place policies and procedures that seek to limit the effect of these risks.

The company has policies that require appropriate credit checks on potential and existing customers before sales are made.

The company actively maintains cash in hand at a level that is designed to ensure sufficient available funds for operations.

The company actively maintains a credit insurance policy that is designed to ensure that all of the company's sales invoices are covered against default, where a customer can no longer meet its payment obligations. Credit limits are reviewed regularly to ensure the correct level of cover is in place to cover the company's requirements. Where the company is granted an insufficient limit, the customers past trading history is taken into account when determining the level of credit to grant them. The company aims to operate with just 1% of the value of open sales invoices not being covered by credit insurance, this way the potential risk to the company is minimised.

The company is exposed to changes in the selling prices of medicinal products. Changes in prices may be forced by Governments or competitive forces such as the development of competitor products, patent protection and competitor discounting.

The directors specifically review potential commercial and financial risk on a monthly basis and make provisions against such risks accordingly.

On behalf of the board



Mr N J Copp
Director
20 May 2021

FORUM HEALTH PRODUCTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and financial statements for the year ended 31 December 2020.

Principal activities

The principal activity of the company continued to be distributor of Department of Health prescription products.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr N J Copp
Mr A J Litchfield

Dividends

The results for the year are set out on page 10.

An interim dividend of £12,000 per share totalling £1,200,000 was declared in 2020. There was also a final 2019 dividend of £5,000 per share distributed totalling £500,000.

Directors' insurance

Indemnity insurance for the benefit of the directors was in force during the year.

Future developments

There continues to be a considerable focus to obtain new distribution contracts. This strategy of expanding the company's product portfolio provides an opportunity to grow turnover and gross margin as well as being a further opportunity to mitigate future risk.

The directors' have reviewed and adapted working practices in relation to the changing nature of conducting business throughout 2020 in respect of the COVID-19 pandemic which has severely impacted the global economy throughout 2020 and continues to do so in 2021.

The main impact to the business has been how directors and employees interact and communicate within the company and wider group as well as with customers and suppliers, primarily from a home working environment, with access to the office being restricted since March 2020. The company has embraced new working practices and new methods of communication and as such the directors are of the opinion that these circumstances have not and are not expected to throughout 2021 have a material impact on the operations and performance of the company. Furthermore, sufficient resources are available within the Barentz group if required to enable the company to meet its obligations as and when they fall due.

The directors' have assessed the impact of BREXIT on the company during 2020 and into 2021. The company has liaised with all of its suppliers and business partners to prepare for BREXIT and whilst there were some short term issues with regard to importing goods from outside the UK, this was expected and stock levels were built up in Q4 2020 to mitigate this risk. Furthermore, the company is solely a UK distributor so will not encounter any issues in respect of the exporting of goods. The directors are as such of the opinion that Brexit will not have a material impact on the trade and performance of the company.

Auditor

In accordance with the company's articles, a resolution proposing that Moore (South) LLP be reappointed as auditor of the company will be put at a General Meeting.

FORUM HEALTH PRODUCTS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Disclosure in the Strategic Report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of matters relating to the principal activity, review of business and principal risks and uncertainties of the company.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mr N J Copp

Director

20 May 2021

FORUM HEALTH PRODUCTS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The 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.

In addition, the directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

FORUM HEALTH PRODUCTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FORUM HEALTH PRODUCTS LIMITED

Opinion

We have audited the financial statements of Forum Health Products Limited (the 'company') for the year ended 31 December 2020 which comprise the statement of comprehensive income, the balance sheet, the 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 FRS 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 31 December 2020 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.

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 *Auditor's 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

FORUM HEALTH PRODUCTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FORUM HEALTH PRODUCTS LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- 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 the financial statements; and
- the strategic report and the directors' report 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 and the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 is 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.

Auditor's 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 an auditor's report 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

FORUM HEALTH PRODUCTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FORUM HEALTH PRODUCTS LIMITED

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- The engagement partner selected a team for the audit, led by persons who had prior knowledge of the client and who had the required competence and skills to be able to identify or recognise non-compliance with laws and regulations.
- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant from the perspective of the financial statements are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance. We also reviewed available correspondence with regulators to identify any known instances of non-compliance or suspected non-compliance with laws and regulations.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with responsibility for ensuring legal and regulatory compliance is adhered to and considered the internal controls in place to mitigate identified risks. Management override of controls was identified as a significant fraud risk from our assessment.
- In addition to the possibility of management override of controls, areas considered of higher risk relating to the presentation of information in the financial statements included the recognition of revenue, the valuation of inventory and the valuation of receivables.
- We assessed the control environment, documenting the systems, controls and processes adopted and undertook an assessment of risks identified in designing our audit approach, which incorporated a combination of tests of controls, analytical review and substantive procedures involving tests of transactions and balances. Any irregularities noted were discussed with management and those charged with governance and we obtained additional corroborative evidence as required.
- We obtained an understanding and assessed the impact of the Covid 19 pandemic on the operations of the business and adapted our audit approach accordingly. We enquired and obtained evidence to support the going concern assumption in the preparation of the financial statements and dovetailed this with knowledge gained from our audit work.

In response to the risk of fraud due to management override, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify any unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of bias;
- reviewed transactions with related parties, in particular the management charges and transactions with group entities;
- reviewed the disclosures within the financial statements to ascertain whether they meet the requirements of the accounting standards and relevant legislation.

FORUM HEALTH PRODUCTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FORUM HEALTH PRODUCTS LIMITED

In response to the risk of irregularities with regards to the recognition of revenue, we;

- reviewed the accounting policies adopted for consistency of application and compliance with acceptable practices
- undertook analytical procedures including monthly comparisons with prior years and budgets, and considered the results in association with industry trends;
- tested transactions and balances with reference to contracts and sales agreements;
- tested cut off procedures including a review of transactions after the balance sheet date
- completed key item testing and sought explanation for any unusual transactions.

In response to the potential for incorrect valuation of inventory, we:

- reviewed the processes and controls in place for the accurate recording of stock movements and associated costs;
- reconciled amounts recorded to stockholder records and verified stock movements;
- assessed management's policy in identifying and accounting for obsolete or slow moving items
- verified the cost of items included in stock and assessed its value in the context of realisable amounts.

In response to the potential to overstate the value of receivables, we:

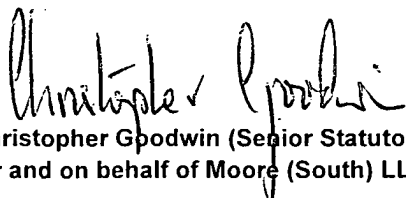
- performed analytical procedures to identify any unusual variations from expectations and from comparative information;
- reviewed the operation of controls and processes and considered the adequacy thereof in managing exposure to credit risk;
- completed testing through reviewing post year end data in assessing the carrying amounts of recorded receivables;
- considered the policy adopted by management in identifying and assessing any irrecoverable amounts.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material mis-statements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 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.



Christopher Goodwin (Senior Statutory Auditor)
for and on behalf of Moore (South) LLP

20 May 2021

Chartered Accountants
Statutory Auditor

Priory House
Pilgrims Court
Sydenham Road
Guildford
Surrey
GU1 3RX

FORUM HEALTH PRODUCTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	76,224,605	78,307,271
Cost of sales		(74,987,652)	(77,003,320)
Gross profit		1,236,953	1,303,951
Administrative expenses		(294,345)	(283,277)
Profit before taxation		942,608	1,020,674
Tax on profit	8	(179,096)	(193,927)
Profit for the financial year		763,512	826,747

The profit and loss account has been prepared on the basis that all operations are continuing operations.

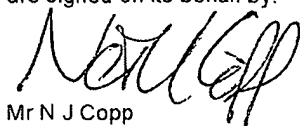
FORUM HEALTH PRODUCTS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Current assets					
Stocks	11	618,914		3,416,669	
Debtors	12	13,760,352		13,933,726	
Cash at bank and in hand		934,288		979,139	
		<u>15,313,554</u>		<u>18,329,534</u>	
Creditors: amounts falling due within one year	13	(13,981,437)		(16,060,929)	
Net current assets			<u>1,332,117</u>		<u>2,268,605</u>
Capital and reserves					
Called up share capital	15		100		100
Profit and loss reserves			<u>1,332,017</u>		<u>2,268,505</u>
Total equity			<u>1,332,117</u>		<u>2,268,605</u>

The financial statements were approved by the board of directors and authorised for issue on 20 May 2021 and are signed on its behalf by:



Mr N J Copp
Director

Company Registration No. 01592283

FORUM HEALTH PRODUCTS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2019		100	1,941,758	1,941,858
Year ended 31 December 2019:				
Profit and total comprehensive income for the year		-	826,747	826,747
Dividends	9	-	(500,000)	(500,000)
Balance at 31 December 2019		100	2,268,505	2,268,605
Year ended 31 December 2020:				
Profit and total comprehensive income for the year		-	763,512	763,512
Dividends	9	-	(1,700,000)	(1,700,000)
Balance at 31 December 2020		100	1,332,017	1,332,117

FORUM HEALTH PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Forum Health Products Limited ('the Company') is a private company, limited by shares, incorporated in England and Wales. The address of its registered office and principal place of business is Crown House, 2-8 Gloucester Road, Redhill, Surrey, RH1 1FH.

1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

Forum Health Products Limited is a wholly owned subsidiary of Barentz Holding BV and the results of Forum Health Products Limited are included in the consolidated financial statements of Barentz Holding BV which are publicly available. The registered office is Saturnsstraat 15, 2132 HB Hoofddorp, The Netherlands.

The principal activity of the Company is that of a distributor of Department of Health prescription products.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover, which is all within the UK, excludes value added tax and represents the invoiced value of goods supplied. Invoices raised for goods and services are based on fulfilled obligations.

FORUM HEALTH PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.4 Stocks

Stocks are stated at the lower of cost and net realisable value. Costs are determined on a first in, first out basis and includes, where relevant, costs incurred in moving product to warehouse, together with packaging costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for costs of realisation. Provision is made where necessary for obsolete, slow-moving and defective stocks.

1.5 Financial instruments

Financial assets and liabilities are recognised when the Company becomes party to the contractual provisions of the financial instrument. The Company holds basic financial instruments, which comprise cash and cash equivalents, trade and other receivables derivative financial instruments, trade and other payables. The Company has chosen to apply the provisions of Section 11 Basic Financial Instruments and Section 12 Other Financial Instruments in full.

Basic financial assets

(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held with banks.

(ii) Trade and other receivables

Trade and other receivables are initially recognised at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Amounts that are receivable within one year are measured at the undiscounted amount of the cash expected to be received, net of any impairment.

At the end of each reporting period, the Company assesses whether there is objective evidence that any receivable amount may be impaired. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised immediately in profit or loss.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

FORUM HEALTH PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

(iii) Trade and other payables and loans and borrowings

Trade and other payables are initially measured at the transaction price, including any transactions costs, and subsequently measured at amortised cost using the effective interest method. Amounts that are payable within one year are measured at the undiscounted amount of the cash expected to be paid.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.6 Equity instruments

Dividends distributed are recognised in the year which they are approved.

FORUM HEALTH PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.7 Taxation

Taxation for the year comprises current 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 taxation assets and liabilities are not discounted.

Current tax

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

1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.9 Retirement benefits

The Company operates a defined contribution pension scheme. Contributions payable to the Company's pension scheme are charged to profit or loss in the period to which they relate.

1.10 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

FORUM HEALTH PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 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 amount 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 periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Critical judgements in applying the Company's accounting policies

(i) Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(ii) Recoverability of receivables

The Group establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the directors consider factors such as the ageing of the receivables, whether the receivables are covered by credit insurance, past experience of recoverability, and the credit profile of individual or groups of customers.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2020 £	2019 £
Turnover analysed by geographical market		
UK	76,224,605	78,307,271

4 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging:		
Operating lease charges (rent)	25,000	25,000
Foreign exchange (gains)/losses	-	(28)

FORUM HEALTH PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

5 Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	8,675	8,850
For other services		
Taxation compliance services	750	750
All other non-audit services	250	3,250
	<u>1,000</u>	<u>4,000</u>

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Finance and operations	2	1
Technical	1	1
Directors	2	2
Total	<u>5</u>	<u>4</u>

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	173,301	149,819
Social security costs	8,774	5,650
Pension costs	4,073	3,100
	<u>186,148</u>	<u>158,569</u>

FORUM HEALTH PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Directors' remuneration

There was no remuneration paid to the directors in the year (2019 - £Nil).

8 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	179,096	193,927

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	942,608	1,020,674
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	179,096	193,927
Taxation charge in the financial statements	179,096	193,927

9 Dividends

	2020 Per share £	2019 Per share £	2020 Total £	2019 Total £
Ordinary shares				
Interim paid	1,700.00	500.00	1,700,000	500,000
Total dividends				
Interim paid			1,700,000	500,000

10 Financial instruments

	2020 £	2019 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	14,597,163	14,908,865
Carrying amount of financial liabilities		
Measured at amortised cost	13,608,715	15,883,321

FORUM HEALTH PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

11 Stocks

	2020 £	2019 £
Finished goods and goods for resale	618,914	3,416,669

The cost of goods expensed through the Profit and Loss account was £73,235,495 (2019: £75,276,776).

12 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	13,612,904	13,868,022
Corporation tax recoverable	97,477	-
Prepayments and accrued income	49,971	65,704
	<u>13,760,352</u>	<u>13,933,726</u>

13 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	13,022,273	15,637,570
Amounts owed to group undertakings	251,972	15,626
Corporation tax	-	101,927
Other taxation and social security	372,452	75,681
Accruals and deferred income	334,740	230,125
	<u>13,981,437</u>	<u>16,060,929</u>

14 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	4,073	3,100

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

There was no pension creditor at the year end (2019 - £nil).

FORUM HEALTH PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Share capital

	2020 £	2019 £
Ordinary share capital Issued and fully paid 100 Ordinary shares of £1 each	100	100

16 Financial commitments, guarantees and contingent liabilities

A standard multilateral bank guarantee is held by NatWest Bank plc with Barentz UK Limited, Forum Products Holdings Limited, and Forum Health Products Limited.

During the year a new charge was lodged by Cooperative Rabobank U.A., who held a fixed charge over the assets of the company. This charge was satisfied in full after the year end.

Also during the year, a new charge was lodged by Wilmington Trust (London) Limited, who hold a charge over the shares of the company.

17 Related party transactions

Section 33 "Related Party Disclosures" requires disclosure of the details of material transactions between the reporting entity and related parties. The company is exempt from disclosing related party transactions with entities that are part of the Forum Products Holdings Limited group.

18 Ultimate controlling party

The company's immediate parent undertaking is Forum Products Holdings Limited a company registered at the same address as Forum Health Products Limited and incorporated in England and Wales. The results of Forum Health Products Limited are included in the consolidated financial statements of Barentz Holding BV.

The ultimate parent undertaking is Rivage Jersey Holding Limited, a company registered in Jersey.

The ultimate controlling party is the Cinven Fund VI.