Company Registration No. 03229746 (England and Wales)

APPELLO CARELINE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 15 MONTHS ENDED 31 MARCH 2023

APPELLO CARELINE LIMITED

COMPANY INFORMATION

Directors	C Atkey T Barclay C Barlow
Company number	03229746
Registered office	Oregon House 19 Queensway New Milton Hampshire BH25 5NN
Auditor	BDO LLP Arcadia House Maritime Walk - Ocean Village Southampton Hampshire SO14 3TL
Bankers	Royal Bank of Scotland 156 High Street Southampton Hampshire SO14 2NP

APPELLO CARELINE LIMITED

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APPELLO CARELINE LIMITED

STRATEGIC REPORT

FOR THE 15 MONTHS ENDED 31 MARCH 2023

The directors present the strategic report for the15 months ended 31 March 2023.

Appello is a leader in the fast-growing Technology-Enabled Care Services (TECS) market.

The Group contains five principal trading entities - Appello Careline Limited (the largest Telecare Monitoring provider in the UK, serving housing providers and local authorities to support their offerings to their customers and residents), Appello Smart Living Solutions Limited ("SLS", the leader in digital emergency call systems for the retirement housing sector), Appello MCL Careline Limited (an acquired Telecare Monitoring business), Lifeline24 Limited and Careline365 Limited (two brands of the UKs fastest growing, and now top two in terms of size, private pay TECS businesses).

There is an established and growing demand in the sector in the UK, where the group principally operates,due to the ageing population and the transition to more sophisticated TECS offerings, in which Appello is the UK's market-leader. Appello combines user-friendly technology, brilliant people and procedural rigour to create benchmark-setting TECS solutions, in a sector which historically has had low levels of innovation.

Business Review
Appello Careline provides 24x7 Telecare Monitoring every day of the year to support end-customers to live more independent lives.

At the heart of this capability is CareNet EVO, the UK's leading digital telecare services platform, which is used across all our brands. This platform uses world-class capabilities from Amazon Web Services, Microsoft and Genesys (the world's leading cloud-contact centre provider), all integrated with Appello's unrivalled Digital TECS IPR.

Appello Careline is at the forefront of this move to digital and by leveraging our experience and scale we will continue to capitalise on the digital shift, as well as two other major sector trends - the ageing population and an over-burdened health and social care system.

This combination means CareNet EVO provides the sector with unprecedented levels of scale, resilience and expertise. Consequently, as well as using its capabilities to support the Group's B2B and D2C customers, Appello also provides EVO as a SaaS solution for Monitoring Providers looking to move to a fully digital, class-leading platform to upgrade their current analogue system. There are circa 150 monitoring providers in the UK, most of whom are sub-scale and using analogue platforms, so this creates a strong opportunity for further SaaS sales, as well as additional consolidation, which Appello has already capitalised on and continues to see potential for.

This opportunity will only increase as the UK's Telecare digital migration gathers pace.The Group is uniquely well positioned to both help with these trends, and benefit from them.

During the year our continued investment in the CareNet platform allowed us to retain industry certifications and win a number of new contracts. We also interconnected the platform with a number of new Internet of Things (IoT) devices and peripherals which we can now include in our propositions, thus broadening our offering and driving further opportunities for growth.

Increased wait times to contact ambulance services and general call volume increases from understandably nervous residents had a significant impact on workloads. This has meant that there was continuing significant extra costs in resourcing the business to continue to exceed the TSA standards.

Financial performance

Turnover for the 15 month period was £11,732k, an increase of 36.2% on prior 12 month period (2021: £8,615k). Administrative expenses increased to £5,537k (2021: £1,651k) resulting in profit before tax of £951k (Year to December 2021: profit before tax £2,832k). Appello Limited, Appello Careline's parent company provides group support activities which were recharged from January 2022 to the subsidiaries to which they relate.

Financial position

Net assets decreased to £3,982k from £22,843k, this decrease was due to a dividend to Appello Careline's parent company of £19,849k. Net current assets decreased from £19,691k to net liabilities of £161k.

Principal risks and uncertainties

Our key risks are the impacts of inflation and resource scarcity causing uncertainty in our supply chain, potentially limiting revenues and adding inflationary pressure on the business. We have excellent stock management and sourcing processes and have invested heavily in stock holding and supplier integrations to mitigate these risks.

We also have risks around additional workload driven by any potential resurgence of Covid19 or similar pandemic, but continue to manage this impact through dynamic process improvements.

The climate for public spending is likely to see continuing searches for efficiencies across the public sector and we believe that our products are well placed in this environment, because they enable longer periods of independent or supported living, taking pressure off more expensive services.

Future Developments

The importance of Telecare Monitoring has long been understood in the Care and Retirement Housing industries and the increasing consciousness of Duty of Care obligations, amplified further by the Grenfell Tower disaster, has only solidified demand. This means we continue to foresee a stable and loyal customer base which in turn creates cash generation to fund future growth driven innovation.

The drive to create new market-leading services has been fundamental to Appello's strategy and, as a result, not only does Appello Careline support more connections (c330,000) than any other Telecare Monitoring provider, we have also got vastly more capabilities in digital telecare.

This will be particularly important over the coming years as the whole sector migrates from analogue to digital services as BT close their legacy networks. Their current plan is to have those switched off by the end of 2025. As there are circa 2 million analogue Telecare devices currently in use in the UK, this is a huge opportunity. Many of our customers are already beginning the migration so that they can take advantage of the benefits of digital technology as soon as possible. Hundreds more organisations will begin that journey in 2024 and Appello are demonstrably the digital Telecare experts.

In parallel to this growth opportunity, another one of the obvious trends that Appello Careline and the wider Appello Group is positioning itself to capitalise on is the Integrated Care System (ICS) approach that is seen as pivotal to the future of Health and Social Care in the UK. The ICS approach means that there will be over coming years greater convergence between the mostly currently separate Primary Care and Social Care budgets.

One of the missed opportunities for the UK of recent years has been that these two funding pots are often treated entirely differently even in the same geography. Investment in preventative and pre-emptive care in the community can save millions and potentially billions of pounds if a whole system return on investment is considered.

Appello Careline has developed an integration software capability, the Appello Single Best Record (SBR) which has a significant benefit in this context. It allows multiple end devices to be connected and to input into a person-centric wellbeing index. For example, there is a major issue with elderly people becoming increasing frail, having a fall, being an emergency hospital admission, occupying a bed for many days and sometimes weeks and with a material proportion passing away there.

This set of events is clearly a very poor outcome from a human, an operational and a financial perspective. Instead, a series of sensors and devices could unobtrusively collect data in the person's home and report it through the SBR in a way that would have helped Carers and/or Housing Providers and/or family members identify the increasing frailty and alert to the risk of a serious fall, or other serious health issue.

There are several innovation companies targeting this market, but we see that our call handling capability and proven scale and experience in the Telecare sector is a significant differentiator. We believe it will take several years for this sector to become mature, but during that period we will continue to grow our Telecare Monitoring base through organic and inorganic means to make sure we remain extremely well positioned.

The Appello SBR also has a part to play in driving growth within the existing markets we target. That is because one of its other capabilities is to allow customers to see and amend data on their residents/end-customers in real time on mobile devices. This is real step forward in the Telecare Monitoring sector and will help us retain existing customers and win new ones.

The progress made during the reported period has positioned Appello Careline extremely well for the future. The capabilities we have, and the investments we will make to support them, will build on these achievements and help us capitalise on the significant opportunities ahead.

Employees

Appello uses a variety of methods to assess employee engagement including the use of formal and informal surveys. The business shares feedback and action plans with employees and remains committed to seeking their input into improvement initiatives to help us as we grow.

The company operates an active equal opportunities policy and we can pride ourselves on the age diversity we have achieved. A major part of our success is a result of our employees working together with different competencies and skills, educational backgrounds, ethnicity, religious beliefs and physical abilities, and we judge performance without prejudice or discrimination.

The business operates mandatory training including nationally recognised qualifications for a range of topic areas from health and safety and management development to corporate compliance and IT.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Appello has held IIP status continuously since September 2008. In March 2018 this was reaccredited as part of its continuous focus on learning and development and in 2022 Appello was once again awarded one of the 50 Best Technology Companies to work for in the UK and one of the 100 Best Companies to work for in the Southeast.

Approved by the Board of Directors and signed on behalf of the Board.

C Barlow
Director
20 December 2023

DIRECTORS' REPORT

FOR THE 15 MONTHS ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the period ended 31 March 2023.

Principal activities
The principal activity of the company is providing emergency alarm monitoring services within the UK.

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

C Atkey
T Barclay
C Barlow

Directors' insurance
The company maintains insurance policies on behalf of all the directors against liability arising from negligence, breach of duty and breach of trust in relation to the company.

Results and dividends
The results for the period are set out in the Profit and Loss Account and Statement of Comprehensive Income on page 12.

Ordinary dividends were paid amounting to £19,849,024. The directors do not recommend payment of a further dividend. (2021:£nil).

Employees
Information on employees is included in the Strategic report on page 4.

Future developments
The future developments of the business are discussed in the Strategic report on page 2.

Financial risk management

Price Risk

The prices across the company are typically tied into longer term contracts and framework agreements so there is no significant risk to pricing but management do recognise the risk of potential disruption to global supply chains which may impact on component prices or landed costs due to more expensive air freight vs sea freight.

Credit Risk

Credit risk is the risk of financial loss to the company if a customer fails to meet its financial obligations. Credit risk across the group is largely attributable to trade receivables. The risk across the company is spread across differing size customers from large housing associations through to individual domestic customers. The invoicing across the company is mixed between high value contract invoices to small value individual charges for monitoring services. This mix of markets and customers spreads our credit risk across the company.

Robust procedures within the company exist when entering any contracts including comprehensive credit checking to set customer credit limits and where appropriate detailed payment terms are built into customer contracts over the life of the contract.

Receivables are reviewed by the company on a weekly basis and at board level monthly. There is a detailed credit control procedure in place with built in, timed escalations to ensure receivables are pursued and collected according to agreed terms.

Liquidity Risk

Liquidity risk arises from the Perlman Group's management of working capital, finance charges and principal repayments on its debt instruments. Liquidity risk is defined as the risk the group will encounter difficulties in meeting its financial obligations as they fall due.

The Perlman Group has a central treasury function that monitors future liquidity daily and it is reviewed by the by the CFO weekly and at board level on a monthly basis. Credit control procedures are robust and mitigating actions are able to be taken well in advance to protect the liquidity position.

Cash flow Risk

Cash flow is monitored within the Perlman Group on a weekly basis and cash flow forecasts are issued weekly. The cash flow position is considered at board level each month. Operations are financed from working capital.

Research and development

The company has an ongoing research & development programme to develop its 'EVO' software platform which is compatible with its monitoring business and dispersed alarm hardware. R&D tax credits were secured against the ongoing development £27,669 (2021: nil).

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

Statement of directors' responsibilities
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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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.

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.

Statement of disclosure to auditor
In the case of each director in the office at the date of the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

C Barlow
Director
20 December 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF APPELLO CARELINE LIMITED

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 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.

We have audited the financial statements of Appello Careline Limited ("the Company") for the 15 month period ended 31 March 2023 which comprise the Profit and Loss Account and 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 and Financial Statements, 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.

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 course of 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.

Other Companies Act 2006 reporting

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

- the information given in the Strategic report and the Directors' report for the financial period 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.

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 Directors' report.

We have nothing to report in respect of the following matters in relation to which 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, 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be the applicable accounting framework and UK tax legislation.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be those with regards health and safety legislation and compliance with FCA regulations.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations; and
- Review of the financial statements and disclosures and agreeing to supporting documentation.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
    - Detecting and responding to the risks of fraud; and
    - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud; and
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements.

Based on our risk assessment, we considered the area most susceptible to fraud as being through the management override of controls to adjust the amount of revenue recorded in the financial year.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria by agreeing to supporting documentation, with a particular focus on journals to revenue.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

DocuSigned by:
David I'Anson
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David I'Anson (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Southampton, UK

22 December 2023
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BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

APPELLO CARELINE LIMITED

PROFIT AND LOSS ACCOUNT AND STATEMENT OF COMPREHENSIVE INCOME

FOR THE 15 MONTHS ENDED 31 MARCH 2023

PROFIT AND LOSS ACCOUNT

	Notes	15 Months ended 31 March 2023 £	12 Months ended 31 December 2021 £
Turnover	3	11,731,625	8,615,473
Cost of sales		(7,110,224)	(4,132,432)
Gross profit		4,621,401	4,483,041
Administrative expenses		(5,537,461)	(1,651,473)
Other operating income		27,669	-
Operating (loss)/profit	4	(888,391)	2,831,568
Income from shares in group undertakings	4	1,839,480	-
Profit before taxation		951,089	2,831,568
Tax on profit	7	36,844	(42,132)
Profit for the financial year		987,933	2,789,436

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

STATEMENT OF COMPREHENSIVE INCOME

	15 Months ended 31 March 2023 £	Year ended 31 December 2021 £
Profit for the year	987,933	2,789,436
Other comprehensive income	-	-
Total comprehensive income for the year	987,933	2,789,436

The notes on pages 15 - 29 are an integral part of these financial statements

APPELLO CARELINE LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	£	31 March 2023 £	£	31 December 2021 £
Fixed assets					
Intangible assets	**9**		1,401,073		498,070
Tangible assets	**10**		297,498		209,642
Investments	**11**		2,444,190		2,444,190
			4,142,761		3,151,902
Current assets					
Stocks	**13**	10,462		34,768	
Debtors	**14**	2,392,495		20,485,075	
Cash at bank and in hand		116,189		779,604	
		2,519,146		21,299,447	
Creditors: amounts falling due within one year	**15**	(2,680,270)		(1,608,622)	
Net current (liabilities)/assets			(161,124)		19,690,825
Total assets less current liabilities			3,981,637		22,842,727
Capital and reserves					
Called up share capital	**18**		1,250,001		1,250,001
Profit and loss reserves			2,731,636		21,592,726
Total equity			3,981,637		22,842,727

The financial statements were approved by the board of directors and authorised for issue on 20 December 2023 and are signed on its behalf by:

C Barlow
Director

The notes on pages 15 - 29 are an integral part of these financial statements

Company Registration No. 03229746

APPELLO CARELINE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE 15 MONTHS ENDED 31 MARCH 2023

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 31 December 2021	1,250,001	21,592,726	22,842,727
Dividends	-	(19,849,023)	(18,849,024)
Total comprehensive income for the year	-	987,933	987,933
Balance at 31 March 2023	1,250,001	2,731,636	3,981,637

1 Accounting policies

Company information

Appello Careline Limited is a private company limited by shares and incorporated and domiciled in the United Kingdom. The registered office is Oregon House, 19 Queensway, New Milton, Hampshire, BH25 5NN.

1.1 Statement of compliance

These financial statements have been prepared under the historic cost convention and in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

1.2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

1.3 Basis of preparation

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group financial statements as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a wholly owned subsidiary of Turing Midco 1 Limited and its results are included in the consolidated financial statements of that entity.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

1.4 Going concern

The Perlman Topco group structure, in place since August 2022, has injected significant liquidity into the Appello Group and with this change the Lifeline24 group has added cash generating trading entities compared to the position for the previous, smaller Appello Holdings group structure.

The group manages its day-to-day working capital requirements through its bank facilities, which extend to 2028. The ability of the group to service its debt obligations is critical to the ongoing trading of the business and the directors have considered the key factors that could have an impact on trading and whether an adverse change in these factors could affect the group's ability to meet its liabilities. The group's forecasts and projections, taking account of reasonably possible changes in trading performance and interest rates, show that the Group should be able to operate within the level of its current facilities.

In preparing its forecasts and projections, the group has considered the continued impact of inflation, interest rates and any UK economic downturn on its business. As part of this assessment the directors produced a forecast for the period to December 2024, which showed sufficient liquidity and headroom. The pipeline for the deployment of Digital Emergency Call Systems by SLS and the extent of confirmed orders in that business remain healthy. The Telecare Monitoring and private pay businesses both enjoy dependable customer contracts and continue to generate profit.

After considering all of the above factors, the directors have a reasonable expectation that the group has sufficient access to resources to continue in operational existence for the foreseeable future, and for at least the period of twelve months following the date of approval of the financial statements. The directors therefore consider it appropriate to adopt the going concern principle in preparing the financial statements.

1 Accounting policies (Continued)

1.5 Exemptions for qualifying entities under FRS102

FRS102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders. The company has taken advantage of the following exemptions:

(i) from preparing a statement of cash flows required under FRS 102 paragraph 3.17(d), on the basis that it is a qualifying entity and a consolidated statement of cash flows is included in the consolidated financial statements of the company's parent, Turing Midco 1 Limited, which includes any cash flows of the company.

(ii) from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information, to the extent required, is provided in the consolidated financial statement disclosures of Turing Midco 1 Limited.

(iii) from disclosing the company key management personnel compensation, required by FRS 102 paragraph 33.7, as the information is provided in the consolidated financial statement disclosures of Turing Midco 1 Limited; and

(iv) from disclosing related party transactions, required under FRS 102 paragraph 33.9, on the basis that Turing Midco 1 Limited has control, joint control or significant influence over both the company and the related entities.

1.6 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of discounts and rebates allowed by the company and value added taxes.

The company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the company retains no continuing involvement in or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to the type of revenue have been met as described below.

Monitoring and telecare services

Fees for emergency alarm monitoring services that supports a range of personal alarm and telecare products are recognised as the company's obligations under the applicable contracts are delivered to the customer which is typically on a straight-line basis over the period of the contract.

1 Accounting policies **(Continued)**

1.7 Employee benefits

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

(i) Short term benefits
Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received. An accrual is recognised at the balance sheet date for any material remaining obligation to employees.

(ii) Defined contribution pension plans
The company operates defined contribution plans for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are payable in accordance with the rules of the scheme. Amounts due but not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

(iii) Annual bonus plan
The company operates annual bonus plans for employees. An expense is recognised in the profit and loss account when the company has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

1.8 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to the items recognised in other comprehensive income or directly in equity in which case the related tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred tax assets and liabilities are not discounted.

(i) Current tax
Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. it establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

1 Accounting policies **(Continued)**

(ii) Deferred tax
Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences 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. Deferred tax is also recognised in relation to assets and liabilities acquired in a business combination where the amount that will be deducted or assessed for tax differs to the fair value at which the asset or liability is recognised on acquisition in the financial statements. The tax base of an asset or liability is determined based on the expected manner of recovery.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax assets and liabilities arise from income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an ability and intention to settle the balances at the same time.

1.9 Intangible assets
Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following basis:

Software	Straight line over 3 to 5 years
Customer list	Straight line over 6 years

Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefit;
- adequate technical, financial and other resources to complete the development and to use to sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

1 Accounting policies **(Continued)**

1.10 Tangible assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Depreciation is calculated, using the straight-line method, to allocate the depreciable amount to their residual values over their estimated useful lives, as follows:

Leasehold buildings	Straight line over period of lease
Office, fixtures and fittings	Straight line over 3 to 5 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Repairs and maintenance costs are expensed as incurred.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit and loss account and included in other operating income.

1.11 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.12 Leased assets

At inception the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases. All of the company's arrangements are operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

Incentives received to enter into and operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

1.13 Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

1 Accounting policies **(Continued)**

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair values less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

1.14 Stock

Stocks consist of consumables and raw materials used in the maintenance and installation services and monitoring products for resale which are stated at the lower of cost and estimated selling prices less costs to sell. Stocks are recognised as an expense in the period in which the related revenue is recognised.

Cost is determined in the first-in, first-out (FIFO) method. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition.

At the end of each reporting period stocks are assessed for impairment. If an item of stock is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is required the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

1.15 Financial instruments

(i) Financial assets

Basic financial assets, including trade and other receivables, and cash and bank balances, are initially recognised at transaction price. At the end of each reporting period financial assets measured at amortised cost assessed for objective evidence of impairment with any with any impairment being charged to profit and loss. If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or are settled, or substantially all the risks and rewards of the ownerships of the asset are transferred to another party.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank and shareholder loans, amounts owed to fellow Group companies and bank overdrafts, are initially recognised at transaction price. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. 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.

1 Accounting policies **(Continued)**

1.16 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

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.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. 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.

(a) Critical accounting judgements in applying the company's accounting policies

There are no areas within the financial statements where management has been required to apply a critical judgement.

(b) Key accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3 Turnover

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

	15 months 2023 £	**12 months 2021 £**
Turnover analysed by class of business		
Monitoring and Telecare Services	11,731,625	8,615,475

All turnover is generated in the UK.

4 Operating (loss)/profit

Operating (loss)/profit for the year is stated after charging:	**15 months 2023 £**	**12 months 2021 £**
Depreciation of owned tangible fixed assets	114,241	120,720
Amortisation of intangible assets	316,460	189,287
Operating lease charges	1,101	12,832
Parent company management charges	3,136,020	-

4 Operating (loss)/profit (Continued)

The cost of auditing these financial statements for the year was £12,580 (2021: £10,750). These costs will be borne by Appello Limited.

5 Employees

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

	15 months 2023 Number	12 months 2021 Number
Operational staff	286	212
Management	8	8
	294	220

Their aggregate remuneration comprised:

	15 months 2023 £	12 months 2021 £
Wages and salaries	6,600,495	3,978,624
Social security costs	481,921	268,250
Pension costs	157,726	109,658
	7,240,142	4,356,532

6 Directors' remuneration

The directors are remunerated by Appello Limited as their services to the company are merely incidental to their employment in the Appello division companies. Details of certain directors' remuneration can be found in the financial statements of Appello Limited.

7 Taxation

	15 months 2023 £	12 months 2021 £
Current tax		
Adjustments in respect of prior periods	5,085	907
Deferred tax		
Origination and reversal of timing differences	(41,382)	67,818
Changes in tax rates	-	(28,548)
Adjustment in respect of prior periods	(547)	1,955
Total deferred tax	(41,929)	41,225
Total tax (credit)/charge	(36,844)	42,132

7 Taxation **(Continued)**

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

	15 months 2023 £	12 months 2021 £
Profit before taxation	951,089	2,831,568
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	180,707	537,998
Fixed asset differences	(70,353)	4,429
Group income not taxable	(349,501)	-
Expenses not deductible for tax purposes	24,692	-
Adjustments in respect of prior years	5,085	907
Group relief	188,262	(4,138)
Research and development tax credit	(5,257)	-
Deferred tax adjustments in respect of prior years	(547)	1,955
Transfer pricing	-	(486,747)
Remeasurement of deferred tax for changes in tax rates	(9,932)	(12,272)
Taxation (credit)/charge for the year	(36,844)	42,132

Increases in the UK Corporation tax rate from 19% to 25% (19% effective from 1 April 2017, and 25% effective from 1 April 2023) have been substantively enacted. This will impact the company's future tax charge accordingly. The value of the deferred tax liability at the statement of final position/balance sheet date has been calculated using the applicable rate when the liability is expected to be realised.

Deferred tax balances at 31 March 2023 have been re-measured to 25% (2021: 19%), being the rate substantively enacted at the balance sheet date.

8 Dividends

	2023 £	2021 £
Final paid	19,849,024	

9 Intangible fixed assets

	Assets in the course of construction	Software	Customer list	Total
	£	£	£	£
Cost				
At 1 January 2022	237,156	1,140,454	140,000	1,517,609
Additions	-	1,217,715	-	1,217,715
Disposals		(957,786)	-	(957,786)
Transfer	(237,156)	237,156		-
Reclassification from Tangibles	-	2,475	-	2,475
At 31 March 2023	-	1,640,013	140,000	1,780,013
Amortisation				
At 1 January 2022	-	966,962	52,578	1,019,540
Amortisation charged for the year	-	287,337	29,123	316,460
Reclassification from Tangibles		624		624
Disposals	-	(957,684)	-	(957,684)
At 31 March 2023	-	297,239	81,701	378,940
Carrying amount				
At 31 March 2023	-	1,342,774	58,299	1,401,073
At 31 December 2021	237,156	173,492	87,422	498,070

10 Tangible fixed assets

	Leasehold buildings	Office, fixtures and fittings	Total
	£	£	£
Cost			
At 1 January 2022	38,879	505,276	544,154
Additions	103,031	121,038	224,069
Disposals	(5,220)	(180,420)	(185,640)
Reclassification to Intangibles	-	(2,475)	(2,475)
At 31 March 2023	136,690	443,419	580,108
Depreciation			
At 1 January 2022	32,719	301,794	334,513
Depreciation charged in the year	5,361	108,880	114,241
Eliminated in respect of disposals	(5,220)	(160,299)	(165,519)
Reclassification to Intangibles	-	(624)	(624)
At 31 March 2023	32,860	249,751	282,611
Net Book Value			
At 31 March 2023	103,830	193,668	297,497
At 31 December 2021	6,160	203,482	209,642

11 Investments

	Notes	2023 £	2021 £
Investments in subsidiaries	12	2,444,190	2,444,190

12 Subsidiaries

Details of the company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shares held	% Held Direct	% Held Indirect
Appello MCL Careline Limited	United Kingdom No. 09501009	Monitoring services	Ordinary shares	100.00	-
Appello Smart Living Solutions Limited	United Kingdom No. 01444995	Maintenance and installation	Ordinary shares	100.00	-

The registered address for all subsidiaries is Oregon House, 19 Queensway, New Milton, Hampshire, UK, BH25 5NN.

13 Stock

	2023	2021
	£	£
Raw materials and consumables	10,462	34,768

14 Debtors

	2023	2021
Amounts falling due within one year:	£	£
Trade debtors	333,409	233,218
Deferred tax asset (note 16)	93,061	51,132
Corporation tax recoverable	27,669	37,002
Amounts owed by group undertakings	1,583,648	19,849,931
Other debtors	19,479	11,446
Prepayments and accrued income	335,229	302,346
	2,392,495	20,485,075

Amounts owed by Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

15 Creditors: amounts falling due within one year

	2023	2021
	£	£
Trade creditors	105,102	256,635
Amounts owed to group undertakings	-	40,582
Corporation tax	26,762	-
Other taxation and social security	521,829	211,811
Other creditors	87,790	53,225
Accruals and deferred income	1,938,787	1,046,369
	2,680,270	1,608,622

Amounts owed to Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

16 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Balances:	**Assets 2023 £**	**Assets 2021 £**
Fixed asset timing differences	(273,678)	51,131
Losses and other deductions	366,738	-
	93,060	51,131

Movements in the year:	**2023 £**
Asset at 1 January 2022	(51,131)
Charge to profit or loss	(41,929)
Asset at 31 March 2023	(93,060)

17 Retirement benefit schemes

Defined contribution schemes	**2023 £**	**2021 £**
Charge in respect of defined contribution schemes	157,726	109,658

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.

18 Share capital

	2023 £	**2021 £**
Ordinary share capital		
Issued and fully paid		
1,250,001 (2021: 1,250,001) Ordinary shares of £1 each	1,250,001	1,250,001

19 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2021
	£	£
Within one year	21,594	19,794
Between two and five years	23,695	57,734
	45,289	77,528

20 Related party transactions

There are no transactions with related parties not wholly owned by the group headed by Perlman Topco Limited.

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned by the group headed by Perlman Topco Limited.

21 Controlling party

The immediate parent undertaking is Appello Limited.

The parent undertaking of the largest and smallest group which includes the company and for which publicly available group accounts are prepared is that headed by Turing Midco 1 Limited, a company incorporated in England and Wales. Copies of the group financial statements of Turing Midco 1 Limited are available from Companies House.

The ultimate parent company is Perlman Topco Limited, a company registered in Jersey.

The ultimate controlling party is Epiris GP Limited, a company registered in Jersey.

The company has taken advantage of the exemption available in FRS 102 not to disclose transactions between wholly-owned subsidiaries of the Perlman Topco Limited Group.

22 Contingencies

The company has entered into an unlimited group debenture to secure the bank borrowings of the Group. At the period end the aggregate bank borrowings of the Group were £41.5 million (year to December 2021: Not applicable) and are secured via a fixed and floating charge on the assets of the company.