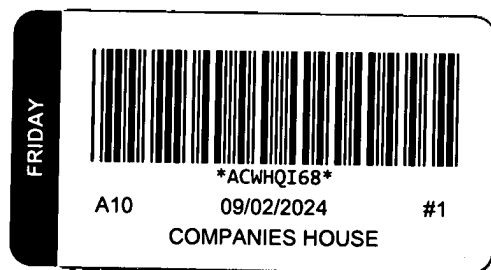


Alliance Medical Radiopharmacy Limited

Annual Report & Financial Statements

For the year ended 30 September 2023

Company number 04555287



Intelligent imaging



Alliance Medical Radiopharmacy Limited

DIRECTORS

M D Chapman
P M Hart
H A D Marsh
A Schmidt

INDEPENDENT AUDITOR

Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZ

BANKERS

NatWest Bank plc
1 Town Hall Building
Banbury
Oxon
OX16 8JS

REGISTERED OFFICE

AML Hub
The Woods
Opus 40 Business Park
Warwick
Warwickshire
CV34 5AH
United Kingdom



Alliance Medical Radiopharmacy Limited

STRATEGIC REPORT

PRINCIPAL ACTIVITY

The principal activity of the Company during the year was the manufacture and distribution of radiopharmaceuticals for the UK market.

REVIEW OF THE BUSINESS AND KEY PERFORMANCE INDICATORS

Directors regard the operating performance of the Company as satisfactory and in accordance with their strategic plan. The key performance indicators of the Company, which are reported monthly to the Board of Directors, are:

	2023	2022
	£000	£000
Turnover	33,296	29,173
EBITDA ¹	6,750	6,952
EBITA ²	4,331	4,665

The company does not consider there to be any other key performance indicators relevant to the business.

RESULTS AND DIVIDENDS

The profit for the financial period amounted to £4,001,000 (30 September 2022; £4,689,000). The decrease in profit during the year is as a result of high-cost inflation. The net assets are £45,708,000 (2022: £41,707,000). There were no dividend payments made in year and the Directors do not recommend the payment of a dividend (30 September 2022: £nil).

FUTURE DEVELOPMENTS

The directors expect the general level of activity to increase. This is as a result of expectations in long term trends in PET-CT scanning volumes and expansion of our network.

¹ EBITDA is earnings before interest, tax, depreciation, amortisation, profit/(loss) on disposal of property, plant and equipment and exceptional items.

² EBITA represents earnings before interest, tax, amortisation, profit/(loss) on disposal of property, plant and equipment and exceptional items.

Alliance Medical Radiopharmacy Limited

STRATEGIC REPORT (continued)

MANAGEMENT OF PRINCIPAL RISKS AND UNCERTAINTIES

The Company Directors recognise the importance of sound risk management to the success of operations and accordingly set policies to mitigate the risks. The principal risks and uncertainties facing the Company and the potential impact and mitigation are summarised below.

Risk Category	Potential Impact	Mitigation
Regulatory risk	Failure to comply with the regulatory controls could materially affect the Company's ability to operate under licence	The Company constantly monitors actual performance against Government agencies' standards and regulations. It adopts 'best practice' in all circumstances in adapting to any new or modified requirements. In good governance, it has designated a qualified Medical and Scientific Director, with accountability directly to the Board, to ensure checks and balances are maintained in addition to stringent day to day operational controls. This practice applies to both medical safety of patients injected with radiopharmaceuticals and radiation protection to both public and own personnel.
Competitive risk	Loss of contracts during competitive tender	Ensuring clinical standards and performance criteria on existing contracts are maintained; and the entering into long term contracts with customers to minimise the risk of losing customers.
Supply performance risk	Loss of revenue, penalties and damage to reputation	Managed by the use of the Company's unique network of strategically located production units that ensures all customers can be supplied from more than one location at short notice. In addition, the reliability of the production process at each site is constantly monitored and fully inclusive maintenance agreements are in place, covering all key equipment.
Liquidity risk	Withdrawal of funding	Liquidity risk is managed at the Group level and includes regular monitoring of, and reporting compliance with, bank covenants both prospectively and retrospectively; Applying cash collection targets throughout the Group; Utilising debt factoring facilities; and Regular cash flow forecasting, with action taken if needed to re-time flows.

Alliance Medical Radiopharmacy Limited
STRATEGIC REPORT (continued)

Risk Category	Potential Impact	Mitigation
Credit risk	Increased bad debt expense	Agreeing payment terms in advance, including invoicing periods for long term contracts; Appropriate credit control procedures are followed; and Deferred payment terms offered only to those customers which demonstrate an appropriate payment history and satisfy credit-worthiness procedures.
Operational risk	Failure to meet growth targets	Annual budget reviewed by the Directors, with actual performance against the budget reported monthly; and Clear delegated authority for major capex and material contracts with Director review and approval.
Economic risk following referendum decision to leave the European Union	Reduced profitability as a result of instability in the Sterling	Natural hedging via a portion of the Group's borrowings being denominated in Euros.
Recruitment risk	Inability to provide cost effective services due to utilising greater volume of agency workers. This risk may be compounded by the referendum decision to leave the European Union	Development of undergraduate placement scheme, graduate recruitment programme and other international recruitment channels.
Inflation risk	Increase in price in supplier contracts	Implemented price increases in customer contracts and put in controls over quantity of use of items where costs have increased

Approved by the board on 19 December 2023 and signed on its behalf by:



P M Hart
 Director
 AML Hub
 The Woods
 Opus 40 Business Park
 Warwick
 Warwickshire
 CV34 5AH
 United Kingdom



Alliance Medical Radiopharmacy Limited

DIRECTORS' REPORT

The Directors present their report together with the audited financial statements for the year to 30 September 2023.

FUTURE DEVELOPMENTS

The Directors continue to promote the manufacture and distribution of radiopharmaceuticals to enhance shareholder value.

EVENTS AFTER THE BALANCE SHEET DATE

On the 5 October 2023, the ultimate parent company announced the proposed disposal of its investment in Alliance Medical Acquisitionco Limited, a fellow group company. The proposed transaction is subject to certain conditions precedent, including a shareholder vote on 8 December 2023 where it was approved. The proposed transaction is expected to close during the second quarter of the 2024 financial year.

DIRECTORS AND THEIR INTERESTS

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows:

M D Chapman	(appointed on 21 December 2022)
P M Hart	
H A D Marsh	(appointed on 21 December 2022)
A Schmidt	(appointed on 24 January 2023)
D G J Cahill	(resigned on 21 December 2023)
R H Evans	(resigned on 21 December 2023)

No Director is beneficially interested in the share capital of the Company.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

During the year and at the date of the approval of the financial statements the Company maintained insurance cover for Directors' and Officers' liability as permitted under section 232 (2) of the Companies Act 2006.

POLITICAL DONATIONS

The Company made £nil (year to 30 September 2022: £nil) political donations during the year.

FINANCIAL RISK MANAGEMENT

Financial risk management is discussed in the strategic report on pages 3 and 4

DIVIDENDS

Dividends payments are discussed in the strategic report on page 2.

Alliance Medical Radiopharmacy Limited

DIRECTORS' REPORT (continued)

GOING CONCERN PRINCIPLES

The Group performs regular assessments on the going concern status of the Group. These assessments take into consideration:

- current solvency of the Group;
- current liquidity position;
- available committed and uncommitted bank facilities;
- cash commitments for the next 12 months;
- budgets and forecasts;
- bank covenants; and
- debt maturities.

The assessments are reviewed by the Board of Directors. The forecasts for the Group have been prepared, covering its future performance, capital and liquidity for a period of 12 months from the date of approval of the consolidated financial statements, including performing sensitivity analyses.

The wider Group had a good trading performance for the year ended 30 September 2023 and generated sufficient cash from operations. The group remains in a strong financial position and is expected to remain within bank covenants for the next reporting period based upon current forecasts.

The current funding structure of the Group is anticipated to change in line with the subsequent events detailed in note 19. It is expected that the existing intercompany loan and wider financing structure will be replaced post-sale completion. At the point of completion, the acquisition of the Group by iCON VI, they are committed to replace the intercompany loan to another group company, which would remain should no external debt be raised, however the Directors believe it is reasonable to expect that a similar level of accessible liquidity is available. Based on this and the Group's assessments and sensitivity analysis show that they have adequate resources to continue in operation for the foreseeable future to continue to meet its obligations as they fall due, and as a result it is appropriate to prepare the consolidated financial statements on a going concern basis.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditors and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Approved by the Board on 19 December 2023 and signed on its behalf by:



P M Hart
Director
AML Hub
The Woods, Opus 40 Business Park
Warwick, Warwickshire
CV34 5AH
United Kingdom

Alliance Medical Radiopharmacy Limited

DIRECTORS' REPORT (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; 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 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.



Alliance Medical Radiopharmacy Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLIANCE MEDICAL RADIOPHARMACY LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion the financial statements of Alliance Medical Radiopharmacy Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 September 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 19.

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 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 Financial Reporting Council's (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.

Alliance Medical Radiopharmacy Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLIANCE MEDICAL RADIOPHARMACY LIMITED (continued)

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Alliance Medical Radiopharmacy Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLIANCE MEDICAL RADIOPHARMACY LIMITED (continued)

Extent to which the audit was considered 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.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal audit about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following areas, and our specific procedures performed to address them are described below:

- **Revenue Recognition:** There is a risk that the accrued income transactions have not occurred or are inaccurately recorded. We have performed a number of procedures to address this risk. We have performed inquiries of management and tested the design and implementation of the relevant control in place to address this risk of material misstatement. In addition, we have also performed substantive procedures by agreeing a sample of such transactions to appropriate supporting evidence.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.



Alliance Medical Radiopharmacy Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLIANCE MEDICAL RADIOPHARMACY LIMITED (continued)

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the 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.

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception


Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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:

22AFA05F393B47A...

Peter Gallimore, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
19 December 2023


Alliance Medical Radiopharmacy Limited
PROFIT AND LOSS ACCOUNT
for the year ended 30 September 2023

	Notes	Year to 30 September 2023 £000	Year to 30 September 2022 £000
TURNOVER	4	33,296	29,173
Cost of sales		(22,040)	(18,651)
GROSS PROFIT		11,256	10,522
Administrative expenses		(6,925)	(5,857)
OPERATING PROFIT	5	4,331	4,665
Interest payable and similar charges	6	(48)	(52)
PROFIT BEFORE TAXATION		4,283	4,613
Tax credit/(charge) on profit	7	(282)	76
PROFIT FOR THE FINANCIAL YEAR		4,001	4,689

The Company's activities all derive from continuing operations.

There is no other comprehensive income or expenses other than those included above and therefore a statement of comprehensive income has not been included in these financial statements.


Alliance Medical Radiopharmacy Limited
BALANCE SHEET
As at 30 September 2023
Company registered number: 04555287

	Notes	30 September 2023 £000	30 September 2022 £000
FIXED ASSETS			
Tangible assets	8	<u>15,605</u>	<u>16,923</u>
		15,605	16,923
CURRENT ASSETS			
Inventories	9	1,151	1,044
Debtors	10	35,996	32,182
Cash at bank and in hand		<u>141</u>	<u>128</u>
		37,288	33,354
CREDITORS: amounts falling due within one year	12	<u>(4,751)</u>	<u>(6,125)</u>
NET CURRENT ASSETS		32,537	27,229
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>48,142</u>	<u>44,152</u>
CREDITORS: amounts falling due after more than one year	12	(1,909)	(1,920)
Provisions for liabilities	13	<u>(525)</u>	<u>(525)</u>
NET ASSETS		<u>45,708</u>	<u>41,707</u>
CAPITAL AND RESERVES			
Called up share capital	15	12,000	12,000
Merger reserve		376	376
Profit and loss account		<u>33,332</u>	<u>29,331</u>
TOTAL SHAREHOLDERS' FUNDS		<u>45,708</u>	<u>41,707</u>

The notes on pages 15 to 28 form an integral part of these financial statements.

These financial statements on pages 12 to 28 were approved by the Board of Directors on 19 December 2023 and were signed on its behalf by:

P M Hart
Director

Alliance Medical Radiopharmacy Limited
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 September 2023

	Called up share capital £000	Merger Reserve £000	Profit and loss account £000	Total Shareholders' funds £000
At 1 October 2021	12,000	376	24,642	37,018
Profit for the financial year and total comprehensive income	-	-	4,689	4,689
At 30 September 2022	12,000	376	29,331	41,707
Profit for the financial year and total comprehensive income	-	-	4,001	4,001
At 30 September 2023	12,000	376	33,332	45,708

Alliance Medical Radiopharmacy Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2023

1. GENERAL INFORMATION

The Company is a private company limited by shares and is incorporated in the United Kingdom under Companies Act 2006 and registered in England. The address of the registered office and principle place of business is shown on page 1. The principal activity of the Company is shown in the Strategic Report on page 2.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

These financial statements have been prepared on a going concern basis under the historical cost convention.

Going concern

The Group performs regular assessments on the going concern status of the Group. These assessments take into consideration:

- current solvency of the Group;
- current liquidity position;
- available committed and uncommitted bank facilities;
- cash commitments for the next 12 months;
- budgets and forecasts;
- bank covenants; and
- debt maturities.

The assessments are reviewed by the Board of Directors. The forecasts for the Group have been prepared, covering its future performance, capital and liquidity for a period of 12 months from the date of approval of the consolidated financial statements, including performing sensitivity analyses.

The wider Group had a good trading performance for the year ended 30 September 2023 and generated sufficient cash from operations. The group remains in a strong financial position and is expected to remain within bank covenants for the next reporting period based upon current forecasts.

The current funding structure of the Group is anticipated to change in line with the subsequent events detailed in note 19. It is expected that the existing intercompany loan and wider financing structure will be replaced post-sale completion. At the point of completion, the acquisition of the Group by iCON VI, they are committed to replace the intercompany loan to another group company, which would remain should no external debt be raised, however the Directors believe it is reasonable to expect that a similar level of accessible liquidity is available. Based on this and the Group's assessments and sensitivity analysis show that they have adequate resources to continue in operation for the foreseeable future to continue to meet its obligations as they fall due, and as a result it is appropriate to prepare the consolidated financial statements on a going concern basis.

Alliance Medical Radiopharmacy Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2023

3. ACCOUNTING POLICIES (continued)

Exemptions

As a qualifying entity the Company has taken advantage of the exemption provided in paragraph 1.12(b) of FRS 102 from preparing a Statement of Cash Flows. The cash flows of the Company are incorporated into the Consolidated Statement of Cash Flows prepared in the Group financial statements of Life Healthcare Group Holdings Limited.

The Company has taken advantage of the exemption provided in paragraph 4.12(a) of FRS 102 from preparing a reconciliation of the numbers of shares outstanding at the beginning and end of the period.

The Company has taken advantage of the exemption provided in paragraph 33.7 of FRS 102 from disclosing key management personnel compensation.

The Company has taken advantage of the exemption provided in paragraphs 11.39-11.48A and 12.26-12.29 of FRS 102 from disclosing certain financial instrument disclosures. The financial instrument disclosures are incorporated into the Group financial statements of Life Healthcare Group Holdings Limited.

The Company has taken advantage of the exemption in paragraph 33.1(a) of FRS 102 from disclosing transactions with related parties that are other wholly owned members of the Alliance Medical Group Limited group.

Functional and presentation currency

The Company's functional and presentation currency is the pound sterling.

Revenue recognition

Turnover, which excludes value added tax, represents the value of goods supplied, and is recognised, according to the value of goods supplied in the period, at the point of delivery to the customer.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial periods stated in the Profit and Loss Account on page 12 and their historical cost equivalents.

Alliance Medical Radiopharmacy Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2023
3. ACCOUNTING POLICIES (continued)
Business combinations

The group reconstruction has been accounted for using merger accounting. Under merger accounting, the carrying values of the assets and liabilities of the parties to the combination are not adjusted to fair value on consolidation. Any difference between the cost of investment and the nominal value of the share capital acquired is put to a merger reserve.

Inventory

Stock is valued at the lower of purchase cost and net realisable value, which is defined as sales value less selling costs. Stock is recognised as an expense in the period in which the related revenue is recognised. Cost is determined on the first-in, first-out ("FIFO") method. Cost includes only the purchase price. Taxes and duties and transport and handling costs which are directly attributable to bringing the inventory to its present location and condition are deemed immaterial.

Intangible assets

Intangible assets are stated at cost, which is the amount paid, less accumulated amortisation and impairment losses. Goodwill is amortised on a straight-line basis over its estimated useful life of 5 years. Acquired software is amortised on a straight-line basis over its estimated useful life of 7 years.

Internal staff costs that are directly attributable to purchased technology are capitalised as part of the costs of the asset. Mobilisation costs for contracts that have been obtained, and are incremental to that contract, are capitalised.

Tangible fixed assets and depreciation

Tangible assets are stated at cost less accumulated depreciation and impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Long leasehold building	21 to 135 years straight-line
Cyclotrons and equipment	5 to 15 years straight-line
Other plant and equipment	5 to 15 years straight-line

Assets under construction are transferred to their respective asset class and commence depreciation on the date commercial operation commences.

Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cost generating unit ("CGU") to which the asset belongs to. An asset's recoverable amount is the higher of the asset's, or CGU's, fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss is recognised in profit or loss in the period in which it arises.

Alliance Medical Radiopharmacy Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2023

3. ACCOUNTING POLICIES (continued)

Leased assets

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Pensions

The Company operates defined contribution pension schemes, administered by a third party, for Directors and employees. Contributions are charged to the profit and loss account as they become payable.

Current tax

Current tax is the amount of income tax payable in respect of the taxable results for the period. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Deferred taxation

The deferred taxation charge takes into account taxation deferred due to timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date, with the expectation that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The company has applied the temporary exception issued by the FRC from the accounting requirements for deferred taxes related to Pillar Two income taxes. Accordingly, the company neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of transaction or at the contracted rate if the transaction is covered by a forward foreign currency contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Alliance Medical Radiopharmacy Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2023

3. ACCOUNTING POLICIES (continued)

Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Assets held under finance leases are recognised as assets at their fair value or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. The interest element of the finance cost is charged to the profit and loss account in the period the lease payment was made. Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the term of the relevant lease. Benefits received or receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

Critical accounting judgements and sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates. Estimates and judgements are continually evaluated and are based on historic experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

Critical judgements in applying the entity's accounting policies

There were no critical judgements at the balance sheet date that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Sources of estimation uncertainty

Decommissioning provision

The Company's calculation of its decommissioning provision involves an estimate. The cost to decommission the cyclotrons at the end of their useful economic lives is based on knowledge of the processes involved and expert advice. This cost is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money. The actual cost may be higher or lower than this estimate. Please refer to note 13 for further details.

4. TURNOVER

Turnover represents amounts for the supply of goods which fall within the Company's continuing activities, stated net of value added tax. All turnover originates in, and has an ultimate destination of, the United Kingdom, and all arises from the Company's principal activity.

Alliance Medical Radiopharmacy Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2023
5. OPERATING PROFIT
(a) This is stated after charging:

		Year to 30 September 2023 £000	Year to 30 September 2022 £000 (restated)
Auditors' remuneration	- for the audit of these financial statements	38	33
Depreciation (Note 8)	- on owned assets	2,350	2,215
	- on finance leases	69	69
Foreign exchange (gain)/loss		22	(40)
Operating lease rentals* (Note 14)	- land and buildings	172	211
	- other*	1,075	1,076

*The comparative figure for operating lease rentals – other has been restated by an amount of £1,028,000. This is due to a lease being disclosed incorrectly in another group company. Despite there being a change to the lease rental amount in this disclosure, there has been no change to P&L / operating profit as the cost associated with the lease was correctly included in the prior period in the profit and loss account.

(b) Directors' remuneration

No Directors (30 September 2022: nil) received emoluments in respect of their services to the Company. All the Directors are also, or have also been, Directors of one or more of the other Companies in the Group. These Directors do not believe that it is practicable to apportion their emoluments between their services as Directors of this company and their services as Directors of other companies in the Group.

(c) Staff costs

	Year to 30 September 2023 £000	Year to 30 September 2022 £000
Wages and salaries	4,661	4,566
Social security costs	488	491
Other pension costs	211	238
	5,360	5,295

Alliance Medical Radiopharmacy Limited
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2023

5. OPERATING PROFIT (CONTINUED)

The average monthly number of employees (including Directors) during the year was 97 (30 September 2022: 99) as follows:

	Year to 30 September 2023 No.	Year to 30 September 2022 No.
Technical/operations	97	99
	<u>97</u>	<u>99</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	Year to 30 September 2023 £000	Year to 30 September 2022 £000
Other interest and similar charges	48	52
	<u>48</u>	<u>52</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES
(a) Tax on profit

	Year to 30 September 2023 £000	Year to 30 September 2022 £000
Current tax:		
Tax for the year	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax:		
Current year charge/(credit)	-	-
Origination and reversal of timing differences	(59)	4
Adjustments in respect of previous periods	341	(80)
Effect of change in tax rate	-	-
Total deferred tax	<u>282</u>	<u>(76)</u>
Total tax charge/(credit)	<u>282</u>	<u>(76)</u>

Alliance Medical Radiopharmacy Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2023
7. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)
(b) Factors affecting the tax for the year

The tax assessed for the year differs (2022: differs) from that resulting from applying the standard rate of corporation tax in the UK of 22% (30 September 2022: 19%). The differences are explained below:

	Year to 30 September 2023 £000	Year to 30 September 2022 £000
Profit before tax	4,283	4,613
Profit at the standard rate of 22% (2022: 19%)	942	876
Effects of:		
Fixed asset differences	103	88
Group relief claimed	(1,382)	(1,521)
Tax rate change	(7)	1
Expenses not deductible	-	359
Transfer pricing adjustments	285	201
Prior period deferred tax adjustment	341	(80)
Previously unrecognised deferred tax now recognised	-	-
Total tax charge/(credit) for the year (note 8 (a))	282	(76)

(c) Factors affecting current and future tax charges

During October 2022, the Government announced that from 1 April 2023 the corporation tax rate would increase from 19% to 25%. The financial statements have been prepared reflecting this change to UK tax legislation.

Alliance Medical Radiopharmacy Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2023
8. TANGIBLE ASSETS

	Long leasehold land and buildings £000	Cyclotrons and equipment £000	Other plant and equipment £000	Assets under construction £000	Total £000
Cost:					
At 30 September 2022	10,993	14,106	66	522	25,687
Additions	-	-	-	1,101	1,101
Reclassifications	108	1,140	1	(1,249)	-
At 30 September 2023	11,101	15,246	67	374	26,788
Depreciation:					
At 30 September 2022	2,812	5,915	37	-	8,764
Charge in the year	461	1,947	11	-	2,419
At 30 September 2023	3,273	7,862	48	-	11,183
Net book value:					
At 30 September 2023	7,828	7,384	19	374	15,605
At 30 September 2022	8,181	8,191	29	522	16,923

The net book value of tangible assets held under finance leases included in long leasehold land and buildings is £1,155,000 (30 September 2022: £1,224,000).

Alliance Medical Radiopharmacy Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2023
9. INVENTORIES

	30 September 2023 £000	30 September 2022 £000
Raw materials and consumables	1,151	1,044

There is no significant difference between the replacement cost of inventories and their balance sheet carrying amounts.

10. DEBTORS

	30 September 2023 £000	30 September 2022 £000
Trade debtors	1,003	1,079
Amounts owed by Group undertakings (fellow UK and non-UK subsidiaries)	31,010	27,750
Other taxation and social security costs	249	87
Deferred tax asset (Note 11)	-	219
Prepayments	598	434
Accrued income	3,136	2,613
	35,996	32,182

Trade debtors include £nil (30 September 2022: £nil) falling due after more than one year. Trade debtors are stated after provisions for bad debts of £1,000 (30 September 2022: £1,000). Amounts owed by Group undertakings are unsecured, interest free, and are repayable on demand.


Alliance Medical Radiopharmacy Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2023
11. DEFERRED TAX ASSET/ (LIABILITY)

Deferred tax asset/(liability) recognised on losses carried forward:

	30 September 2023	30 September 2022
	£000	£000
Opening deferred tax asset/(liability)	219	143
Deferred tax (charged)/credited in the profit and loss account	(282)	76
Closing deferred tax (liability)/asset	(63)	219

The deferred tax asset has been recognised in relation to losses carried forward that are expected to be utilised in the foreseeable future and do not have an expiry date.

12. CREDITORS
(a) Amounts falling due within one year

	30 September 2023	30 September 2022
	£000	£000
Trade creditors	1,218	1,833
Amounts owed to Group undertakings (fellow UK and non-UK subsidiaries)	844	1,919
Finance leases	11	11
Accruals and deferred income	2,615	2,362
Deferred tax liability (Note 11)	63	-
	4,751	6,125

Amounts owed to Group undertakings, which are all UK-based, are unsecured, are repayable in less than one year and are interest free.

(b) Amounts falling due after more than one year

	30 September 2023	30 September 2022
	£000	£000
Amounts owed to group undertakings (fellow UK subsidiaries)	1,909	1,909
Finance leases	-	11
	1,909	1,920

The Company issued unsecured subordinated loan notes to its shareholders during the year ended 31 March 2009. The balance is now classified as amounts owed to group undertakings. The loan notes are unsecured and non-interest bearing. They are subordinated to the bank loan and repayable in more than one year but less than five years.

Alliance Medical Radiopharmacy Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2023
12. CREDITORS (continued)
(c) Finance leases

	30 September 2023 £000	30 September 2022 £000
Due within one year	11	11
Between two and five years	-	11
	<u>11</u>	<u>22</u>

The finance lease is secured against the asset it relates to and is repayable by annual instalments ending on 31 March 2024. Interest is charged at 9.3% over the life of the loan.

13. PROVISIONS FOR LIABILITIES

	Total £000
At 1 October 2022 and 30 September 2023	<u>525</u>

The provision for decommissioning relates to cyclotrons.

The cost to decommission the cyclotrons at the end of their useful economic lives is based on knowledge of the processes involved and expert advice. However, there are elements of the decommissioning process that are uncertain and have been estimated. The actual cost may be higher or lower than the estimate. Alliance Medical Group Limited has committed to fund the costs to the level of the provision.

The maturity profile of the provision is analysed as follows:

	Total provisions 2023 £000
Provisions for liabilities due within one year	-
Provisions for liabilities due after more than one year	<u>525</u>
	<u>525</u>

Alliance Medical Radiopharmacy Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2023
14. CAPITAL AND OTHER COMMITMENTS

The Company's total future minimum lease payments under non-cancellable operating leases are as follows:

	30 September 2023 £000	30 September 2022 £000 (restated)
Within one year*	1,247	1,248
Between two and five years*	4,666	3,686
Greater than five years*	19,304	21,531
	<u>25,217</u>	<u>26,465</u>

Capital commitments of £nil (30 September 2022: £nil) have been authorised and contracted for by the Company as at 30 September 2023.

*The comparative figures for future minimum lease payments has been restated by an amount of £24,653,000. This is due to the future minimum lease incorrectly excluding a lease for which the company is the lessee.

15. CALLED UP SHARE CAPITAL AND RESERVES

	30 September 2023 No.	30 September 2023 £000	30 September 2022 No.	30 September 2022 £000
Ordinary shares of £1 each				
Authorised, allotted and fully paid				
'A' ordinary shares of £1 each	6,000,000	6,000	6,000,000	6,000
'B' ordinary shares of £1 each	6,000,000	6,000	6,000,000	6,000
	<u>12,000,000</u>	<u>12,000</u>	<u>12,000,000</u>	<u>12,000</u>

There are no restrictions on the payment of dividends and the repayment of capital.

The voting rights for the shares are as follows:

- (a) The voting rights of the B ordinary shares cannot be used to pass or prevent the passing of any resolution (including a written resolution) supported by the required majority of holders of A ordinary shares; and
- (b) Where a dividend or capital distribution is permitted, the holders of the B ordinary shares shall be allocated pro rata an amount up to the Management Incentive Plan amount as defined in the articles of association of the Company and any remaining balance will be allocated to the holders of the A ordinary shares pro rata.

The Merger reserve of £376,000 (2022: £376,000) represents the excess of fair value over nominal value of shares issued in consideration for the acquisition of subsidiaries.

Alliance Medical Radiopharmacy Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2023

15. CALLED UP SHARE CAPITAL AND RESERVES (Continued)

The profit and loss reserve represents cumulative profits or losses, including unrealised profit on the re-measurement of investment properties, net of dividends paid and other adjustments.

16. PARENT UNDERTAKINGS

a) Immediate parent undertaking

The immediate parent undertaking is Alliance Medical Limited, registered in England and Wales.

b) Ultimate parent undertaking

The ultimate parent undertaking and controlling party is Life Healthcare Group Holdings Limited. The largest and smallest group, for which group financial statements are drawn up and which include this company is Life Healthcare Group Holdings Limited, registered in South Africa. The financial statements are publicly available from the Life Healthcare website and can also be obtained by writing to the Group Secretary at Oxford Parks, Building 2, 203 Oxford Road (Corner Eastwood & Oxford Roads), Dunkeld, 2196, its registered address.

17. POST-EMPLOYMENT BENEFITS

The Company participates in defined contribution pension schemes, the assets of which are held separately from those of the Company and are invested with an insurance company and external fund managers. The total charged to the profit and loss account during the year was £211,000 (30 September 2022: £238,000).

18. RELATED PARTY TRANSACTIONS

In accordance with FRS 102, the company has taken advantage of the exemption available not to disclose transactions with other wholly owned group undertakings.

There are no other related party transactions outside of those with group undertakings.

19. EVENTS AFTER THE BALANCE SHEET DATE

On the 5 October 2023, the ultimate parent company announced the proposed disposal of its investment in Alliance Medical Acquisitionco Limited, a fellow group company. The proposed transaction is subject to certain conditions precedent, including a shareholder vote on 8 December 2023 where it was approved. The proposed transaction is expected to close during the second quarter of the 2024 financial year.