

Registered No. 05522263

Mobility Bathing Group Limited
Annual Report and Financial Statements
For the Year Ended 31 August 2022

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Mobility Bathing Group Limited
Annual Report and Financial Statements
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Mobility Bathing Group Limited

Company information

Company number	05522263
Registered office	Unit 20-21 Padgets Lane Redditch Worcestershire B98 0RA
Directors	L Ellis S Murray
Auditors	Grant Thornton UK LLP 17 th Floor 103 Colmore Row Birmingham B3 3AG

Mobility Bathing Group Limited

Strategic report

For the financial year ended 31 August 2022

The directors present their strategic report for the financial year ended 31 August 2022.

Principal activity

The principal activity of the company is the sale of bathroom equipment in the UK directly to end-customers.

The company provides tailor-made assisted bathing solutions to individual consumers as effectively and efficiently as possible. The business works closely with key suppliers to ensure products are closely aligned with customers' needs, and a customer-focused installations team is continually targeted to deliver the solution to the customer in the most effective way possible and with minimal disruption. Customers' needs are consulted and verified throughout the process, and system improvements continually sought and implemented to streamline the tasks involved in delivering the solution to the customer.

Review of the business

The Covid-19 pandemic continued to impact the company's operations during the year. In September 2021, a fellow subsidiary of Mobility Group Limited ("the group") was placed into administration following a decline in trading performance brought about by Covid related freight disruption and a significant escalation of shipping rates. This had a significant effect on the start of the year as the business reintroduced a warehouse at the head office after the administration of a fellow subsidiary as well as packing and shipping facility at the head office.

In August 2022, following discussions with funding providers, additional funding of £1.3m was given to the business to enhance and grow EBITDA, including an agreement with the bank to extend facilities and reset all covenants. Volumes increased towards the latter part of the year and the company achieved consistent EBITDA targets. The impact of disruption was carefully reviewed by the management of the cost base and working capital.

Analysis of the performance of the business using key performance indicators is as follows:

	2022	2021
Turnover	£26,768,000	£22,326,000
Gross profit	£3,878,000	£3,227,000
Gross profit %	14.5%	14.5%
Operating loss	£1,170,000	£671,000
Operating loss %	4.4%	3.0%
Net (liabilities)/assets	£(1,190,000)	£105,000

Mobility Bathing Group Limited

Strategic report (continued)

For the financial year ended 31 August 2022

Future developments

The company continues to pursue its business objectives of achieving growth in revenue and profitability, along with continued and sustainable cash generation, utilising market growth opportunities presented by the favourable demographic outlook for its core customer base. Delivering a high level of customer service is at the forefront of the strategy underpinning these objectives.

Post the year end the Group has extended loans which were due to expire on 31st March 2024 to 30th September 2024. This provides further support to the going concern status of the company and group.

Principal risks and uncertainties

The directors meet regularly and formally review the principal risks facing the business. The principal risks and uncertainties identified by the directors are as follows:

Inflationary pressures

The directors acknowledge the risks associated with increasing inflationary pressures. Most notably, the steady increase in energy wholesale prices throughout 2021, and the unprecedented surge in prices from December 2021 onwards has resulted in increased prices across the supply chain. The directors actively engage with suppliers on a regular basis to ensure that the best possible prices are achieved.

Financial risk management

Liquidity risk

Management actively monitor working capital to ensure that the company has sufficient available funds for operations and for meeting its debts as they fall due. The company has access to a revolving credit facility and continues to operate within its available facilities.

Credit risk

The company has no significant concentration of credit risk, with exposure spread over a large number of individual customers. Trade debtors and amounts owed by group undertakings are reviewed by the directors on a regular basis.

Interest rate risk

The company maintains debt at a fixed margin to ensure certainty of future cash flows.

Mobility Bathing Group Limited

Strategic report (continued)

For the financial year ended 31 August 2022

Financial risk management (continued)

Price risk

The company is exposed to limited commodity price risk but does not manage this exposure due to cost benefit considerations. The company sells into the UK market only and therefore does not suffer foreign exchange risk.

Approved by the Board of Directors on 26 May 2023 and signed on its behalf by



S Murray
Director

Mobility Bathing Group Limited

Directors' report

For the financial year ended 31 August 2022

The directors present their report together with the audited financial statements of the company for the financial year ended 31 August 2022.

Directors

The directors who served the company during the financial year and up to the date of signing these financial statements unless otherwise stated were:

L Ellis
J Ling (resigned 16 November 2021)
S Murray (appointed 18 October 2021)

Results and dividends

The trading results for the year and the company's financial position at the year end are shown in the attached financial statements and are discussed further in the business review. No dividend was declared or paid during the financial year (2021 - £nil).

Events since the balance sheet date and future developments

Events since the balance sheet and details of the likely future developments of the business of the company are provided in the Strategic Report.

Financial instruments

Details of financial instruments are provided in the Strategic Report.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report on pages 3 and 4 and include the section entitled "Principal risks and uncertainties". The Review of the business section on page 3 describes the financial position of the company as of 31 August 2022.

Along with many other businesses, the group (defined as Mobility Group Topco Limited and subsidiaries) experienced the impacts of the unprecedented emergence of the Coronavirus pandemic throughout 2020 and 2021. Whilst the group was able to successfully mitigate many of the impacts of the pandemic, for one of its trading subsidiaries Cassellie Limited, the continued disruption to sea freight combined with a seven-fold increase in freight costs meant that the business was unable to fulfil several major customer contracts due to product availability. As such, the directors put Cassellie Limited into Administration on 3 September 2021.

Mobility Bathing Group Limited

Directors' report (continued)

For the financial year ended 31 August 2022

Going concern (continued)

For the other trading companies in the group, 2021 - 2022 was a challenging year. However, through a combination of proactive cash management activities, tight cost control and the UK Government easing lockdown restrictions, the businesses were able to trade throughout this difficult period.

In August 2022, following three successive quarters of delivering positive EBITDA, albeit it against the backdrop of liquidity challenges driven by a combination of ongoing lockdowns and the Cassellie Administration, the group's investors injected a capital contribution of £1.3 million into the business. In May 2023, the group's banking facilities were extended to September 2024. The directors also completed a forecast as at March 2023 for 18 months and noted that no covenants were expected to be breached with the bank over this time period. The directors consider that these commitments from the group's stakeholders demonstrate the continuing confidence and support our bank and investors have in the business and its potential for growth.

Despite the current challenging macro-economic environment, the group continues to deliver record volume levels and is tracking significantly ahead on EBITDA of its FY23 Budget to date. Add this to a customer base that continues to grow due to a combination of the aging population, longer life expectancy and a propensity for people to adapt their homes, the directors consider that the business is well placed to capitalise on future growth opportunities.

The directors have produced a forecasting model for the going concern period to 31 August 2024. Following a detailed review of the model (which were used as a basis for the aforementioned capital injection and extension of funding facilities), the directors have a reasonable expectation that the group has adequate resources to continue to trade for not less than 12 months from the date of signing the financial statements and, as such, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

The company has received a letter of support from the parent company, Mobility Group Topco Limited, confirming that it will support the Company for a period of at least twelve months from the date of approval of these financial statements.

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) including FRS102 "The Financial Reporting Standard 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.

Mobility Bathing Group Limited
Directors' report (continued)
For the financial year ended 31 August 2022

Statement of directors' responsibilities (continued)

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 responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to the auditors

Each director has taken 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 auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board of Directors on 26 May 2023 and signed on its behalf by

Stephen Murray

S Murray
Director

Independent auditor's report to the members of Mobility Bathing Group Limited

Opinion

We have audited the financial statements of Mobility Bathing Group Limited (the 'company') for the year ended 31 August 2022, which comprise the profit and loss account, 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).

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as the impact of supply chain and inflationary pressures on the results of the company, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. 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 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the 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.

Matter on which we are required to report under the Companies Act 2006

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.

Matters on which we are required to report by exception

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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the company and industry in which it operates through our general commercial and sector experience, discussions with management and review of board minutes. We determined that the following laws and regulations were most significant: FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006 and the relevant tax compliance regulations in the UK. In addition, we concluded that there are certain laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements such as health and safety and employee matters.
- We enquired of management concerning the company's policies and procedures relating to:
 - The identification, evaluation and compliance with laws and regulations;
 - The detection and response to the risks of fraud; and
 - The establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management and those charged with governance, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members including the potential for fraud in revenue recognition. We remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
 - Identifying and assessing design effectiveness of controls management has in place to prevent and detect fraud;
 - Challenging assumptions and judgments made by management in its significant accounting estimates;
 - Assessing the extend of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item;
 - Performing audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements;
 - Assessing the appropriateness of the collective competence and capabilities of the engagement team including consideration of the engagement team's understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation; and
 - Understanding of the legal and regulatory requirements specific to the entity including the provisions of the applicable legislation and the applicable statutory provision.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate

concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

- The engagement partner has assessed the appropriateness of the collective competence and capabilities of the engagement team, *including consideration of the engagement team's knowledge and understanding of the industry in which the company operates and their practical experience through training and participation with audit engagement of a similar nature*. All team members are qualified accountants or working towards that qualification, and are considered to have sufficient knowledge and experience of companies of a similar size and complexity, appropriate to their role within the team.

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



John Coates BSc BFP FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham
26 May 2023

Mobility Bathing Group Limited
Profit and loss account
For the financial year ended 31 August 2022

	Note	2022 £'000	2021 £'000
Turnover	3	26,768	22,326
Cost of sales		(22,890)	(19,099)
Gross profit		3,878	3,227
Administrative expenses:			
Before exceptional items		(5,048)	(3,701)
Impairment of amount owed by group undertaking	4	-	(253)
		(5,048)	(3,954)
Other operating income	5	-	56
Operating loss	6	(1,170)	(671)
Interest payable and similar charges	9	(125)	(55)
Loss before tax		(1,295)	(726)
Tax on loss	10	-	-
Loss for the financial year		(1,295)	(726)
Total comprehensive expense for the financial year		(1,295)	(726)

The above results were derived from continuing operations.

The notes on pages 16 to 30 form part of these financial statements

Mobility Bathing Group Limited – company registration number 05522263**Balance sheet****As at 31 August 2022**

	Note	2022 £'000	2021 £'000
Fixed assets			
Tangible assets	11	460	504
Current assets			
Stocks	12	724	356
Debtors	13	9,332	7,951
Cash at bank and in hand		1,360	1,412
		11,416	9,719
Creditors: amounts falling due within one year	14	(12,953)	(10,005)
Net current liabilities		(1,537)	(286)
Total assets less current liabilities		(1,077)	218
Provisions for liabilities	15	(113)	(113)
Net (liabilities)/assets		(1,190)	105
Capital and reserves			
Called up share capital	16	-	-
Profit and loss account		(1,190)	105
Total shareholders' (deficits)/funds		(1,190)	105

The financial statements on pages 13 to 30 were approved by the Board of Directors on 26 May 2023 and signed on its behalf by



S Murray
Director

The notes on pages 16 to 30 form part of these financial statements

Mobility Bathing Group Limited
Statement of changes in equity
For the financial year ended 31 August 2022

	Called up share capital £'000	Profit and loss account £'000	Total £'000
At 1 September 2020	-	831	831
Loss for the financial year ended 31 August 2021	-	(726)	(726)
Other comprehensive income for the financial year ended 31 August 2021	-	-	-
Total comprehensive expense for the financial year ended 31 August 2021	-	(726)	(726)
At 31 August 2021	-	105	105
Loss for the financial year ended 31 August 2022	-	(1,295)	(1,295)
Other comprehensive income for the financial year ended 31 August 2022	-	-	-
Total comprehensive expense for the financial year ended 31 August 2022	-	(1,295)	(1,295)
At 31 August 2022	-	(1,190)	(1,190)

The notes on pages 16 to 30 form part of these financial statements

Mobility Bathing Group Limited
Notes to the financial statements
For the financial year ended 31 August 2022

1. Accounting policies

Statement of compliance

Mobility Bathing Group Limited is a company limited by shares, incorporated and domiciled in England and Wales with registration number 05522263. The address of its registered office is:

Units 20-21
Padgets Lane
Redditch
B98 0RA

The financial statements of Mobility Bathing Group Limited have been prepared in accordance with the requirements of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS102") and the Companies Act 2006.

Basis of preparation

The financial statements have been prepared on the going concern basis and under the historical cost convention.

The financial statements are prepared in Pounds Sterling, which is the functional currency of the company, and are rounded to the nearest £'000.

The principal accounting policies of the company, which are set out below, have been consistently applied to all the years presented, unless otherwise stated.

Going concern

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report on pages 3 and 4 and include the section entitled "Principal risks and uncertainties". The Review of the business section on page 3 describes the financial position of the company as of 31 August 2022.

Along with many other businesses, the group experienced the impacts of the unprecedented emergence of the Coronavirus pandemic throughout 2020 and 2021. Whilst the group was able to successfully mitigate many of the impacts of the pandemic, for one of its trading subsidiaries Cassellie Limited, the continued disruption to sea freight combined with a seven-fold increase in freight costs meant that the business was unable to fulfil several major customer contracts due to product availability. As such, the directors put Cassellie Limited into Administration on 3 September 2021.

For the other trading companies in the group, 2021 - 2022 was a challenging year. However, through a combination of proactive cash management activities, tight cost control and the UK Government easing lockdown restrictions, the businesses were able to trade throughout this difficult period.

Mobility Bathing Group Limited

Notes to the financial statements

For the financial year ended 31 August 2022

1. Accounting policies (continued)

Going concern (continued)

In August 2022, following three successive quarters of delivering positive EBITDA, albeit it against the backdrop of liquidity challenges driven by a combination of ongoing lockdowns and the Cassellie Administration, the group's investors injected a capital contribution of £1.3 million into the business. In May 2023, the group's banking facilities were extended to September 2024. The directors also completed a forecast as at March 2023 for 18 months and noted that no covenants were expected to be breached with the bank over this time period. The directors consider that these commitments from the group's stakeholders demonstrate the continuing confidence and support our bank and investors have in the business and its potential for growth.

Despite the current challenging macro-economic environment, the group continues to deliver record volume levels and is tracking significantly ahead on EBITDA of its FY23 Budget to date. Add this to a customer base that continues to grow due to a combination of the aging population, longer life expectancy and a propensity for people to adapt their homes, the directors consider that the business is well placed to capitalise on future growth opportunities.

The directors have produced a forecasting model for the going concern period to 31 August 2024. Following a detailed review of the model (which were used as a basis for the aforementioned capital injection and extension of funding facilities), the directors have a reasonable expectation that the group has adequate resources to continue to trade for not less than 12 months from the date of signing the financial statements and, as such, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

The company has received a letter of support from the parent company, Mobility Group Topco Limited, confirming that it will support the Company for a period of at least twelve months from the date of approval of these financial statements.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life.

The expected useful lives of assets are as follows:

Computer equipment	5 years
Fixtures and fittings	5 years
Leasehold property improvements	Term of the lease

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Mobility Bathing Group Limited

Notes to the financial statements

For the financial year ended 31 August 2022

1. Accounting policies (continued)

Revenue recognition

Revenue is measured at the fair value of consideration received or receivable in respect of the sale of goods and services in the ordinary course of the company's activities. It is stated net of discounts and Value Added Tax.

Revenue is recognised at the point at which the significant risks and rewards of ownership of goods have transferred to the customer. In the case of product installations, this is the point at which the installation is complete. In the case of contracts for supply only, this is the point at which the goods are delivered to the customer.

Revenue is only recognised when it is probable that economic benefits will flow to the company, when the amount of revenue can be measured reliably, and when the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Government grants

Government grants are recognised on an accruals basis, when it is reasonable to expect that the grants will be received and that all related conditions will be met.

The company does not receive grants in respect of capital expenditure.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes the cost of materials, measured on a first-in first-out basis. Net realisable value is based on estimated selling price less costs expected to be incurred to completion and disposal.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to sell. The impairment loss is recognised immediately in profit or loss.

Provisions for liabilities

Provisions are recognised where the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated.

Provisions are charged as an expense in the profit and loss account in the year that the company becomes aware of the obligation, and are measured as the best estimate of the amount required to settle the obligation at the balance sheet date, taking into account relevant risks and uncertainties.

Installations by the company carry a twelve-month warranty. Provision is made for the costs arising as a result of customer claims under warranty based on historical levels of claims.

Mobility Bathing Group Limited
Notes to the financial statements
For the financial year ended 31 August 2022

1. Accounting policies (continued)

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge or credit attributable to an item of income or expense recognised in other comprehensive income is also recognised directly in other comprehensive income.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is accounted for to recognise the impact of timing differences between the recognition of gains and losses in the financial statements and their recognition for tax purposes. A deferred tax liability is recognised where a transaction or event that occurred prior to the reporting date results in the company having an obligation to pay tax in future periods in excess of the amount which would be payable if the transaction or event had not occurred. A deferred tax asset is recognised where a transaction or event that occurred prior to the reporting date gives the company the right to pay less tax in the future than would have been payable if the transaction or event had not occurred.

Deferred tax assets are only recognised if it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the period end.

Leases

Rental payments under operating leases are charged in the profit and loss account on a straight-line basis over the lease term. Lease incentives are recognised on a straight-line basis over the term of the lease.

Advertising expenditure

Advertising costs are charged in the profit and loss account as cost of sales in the period in which they are incurred.

Financial instruments

Basic financial assets, including trade debtors, amounts due from group undertakings, other debtors, and cash at bank and in hand are initially measured at cost and are subsequently measured at amortised cost using the effective interest method. At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, an impairment loss, being the difference between the carrying amount of the asset and the present value of the estimated cash flows discounted at the asset's original effective interest rate, is recognised in the profit and loss account.

Basic financial liabilities, including payments on account, trade creditors, amounts owed to group undertakings and other creditors are initially measured at cost. Debt instruments are subsequently carried at amortised cost using the effective interest method.

The company does not have any financial instruments which are not basic financial assets or liabilities.

Mobility Bathing Group Limited
Notes to the financial statements (continued)
For the financial year ended 31 August 2022

1. Accounting policies (continued)

Cash at bank and in hand

Cash comprises cash in hand and deposits at banks which are repayable without penalty on notice of not more than 24 hours.

Trade debtors

Trade debtors are amounts due from customers in respect of goods sold and services provided in the ordinary course of business.

Trade debtors are recognised at the transaction price less provision for impairment. A provision for impairment of trade debtors is established where there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and are subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the consideration received or receivable, net of the direct costs incurred in issuing the equity instruments. If consideration is deferred and the time value of money is material, initial recognition is at the present value of consideration receivable.

Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period to which they relate. Contributions outstanding at the balance sheet date are included in other creditors.

Summary of disclosure exemptions

The company is a wholly owned subsidiary of Mobility Group Limited and is included in the consolidated financial statements of Mobility Group Topco Limited (a company incorporated in England and Wales) which are publicly available.

The company has taken advantage of the exemptions available within FRS102 from the requirement to prepare a cash flow statement and the requirement to disclose transactions with wholly owned group companies.

Mobility Bathing Group Limited
Notes to the financial statements (continued)
For the financial year ended 31 August 2022

1. Accounting policies (continued)

Name of parent of group

These financial statements are consolidated in the financial statements of Mobility Group Topco Limited.

The financial statements of Mobility Group Topco Limited are available from that company's registered office at Units 20-21 Padgets Lane, Redditch, B98 0RA.

2. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the directors to make judgements, estimates and assumptions that affect the amounts reported as assets and liabilities at the balance sheet date and the amounts reported as revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The directors have considered whether there are any critical judgements involved in the application of the company's accounting policies and have concluded that there are no such material judgements.

The following are the company's key sources of estimation uncertainty:

Bad debt provision

The company has recognised a provision for bad debts relating to trade debtors. This is based on a review of the ageing of debtor balances. At 31 August 2022, trade debtors are stated net of a provision of £302,000 (2021 - £238,000).

3. Turnover

Turnover represents amounts derived from the provision of goods and services falling within the company's ordinary activities after deducting discounts and, where applicable, value added (or similar) taxes.

All of the company's turnover in the financial year and preceding financial year related to continuing operations and was wholly attributable to the UK market.

Mobility Bathing Group Limited
Notes to the financial statements (continued)
For the financial year ended 31 August 2022

4. Exceptional items

	2022	2021
	£'000	£'000
Recognised in arriving at operating loss:		
Impairment of amount owed by group undertaking	-	253

5. Other operating income

	2022	2021
	£'000	£'000
Government grants receivable	-	56

Government grants relate to amounts receivable from the UK Government as compensation for payroll costs associated with employees who were required to take temporary leave of absence ("furlough") as a result of the impact of the Covid-19 pandemic during the year.

6. Operating loss

	2022	2021
	£'000	£'000
Operating loss is stated after charging:		
Depreciation of owned tangible fixed assets	138	149
Impairment of trade receivables	69	64
Impairment of amount owed by group undertaking	-	253
Inventory recognised as an expense	4,538	3,739
Foreign exchange losses	3	1
Operating lease charges	315	37
Fees payable to the company's auditor for the audit of the company's financial statements	30	15

Fees paid to the company's auditor, Grant Thornton UK LLP, for services other than the statutory audit of the company are not disclosed in the company's accounts since the consolidated accounts of Mobility Group Topco Limited disclose non-audit fees on a consolidated basis.

Mobility Bathing Group Limited
Notes to the financial statements (continued)
For the financial year ended 31 August 2022

7. Staff costs

Aggregate payroll costs (including directors' remuneration) were as follows:

	2022	2021
	£'000	£'000
Wages and salaries	3,063	2,142
Social security costs	325	245
Pension costs	64	40
	3,452	2,427

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

	2022	2021
	Number	Number
Average number of persons directly employed	88	63

8. Directors' remuneration

Remuneration was paid to the company's directors as follows:

	2022	2021
	£'000	£'000
Emoluments	81	-

The remuneration of two (2021 – 2) of the company's directors of £312,000 (2021 - £488,000) was borne by Mobility Group Limited during the year, although it has not been possible to allocate this cost in relation to their services to the company.

Post-employment benefits accrued for one director (2021 – 1) under a defined contribution scheme during the year.

The key management of the company comprises only the directors, whose remuneration is given above.

Mobility Bathing Group Limited
Notes to the financial statements (continued)
For the financial year ended 31 August 2022

9. Interest payable and similar charges

	2022 £'000
Bank interest	59
Other interest	66
	<hr/>
	125
	<hr/>

10. Tax on loss

	2022 £'000
Current tax	
UK Corporation tax	-
	<hr/>
Deferred tax	
Origination and reversal of timing differences	-
Change in tax rate	-
	<hr/>
Total deferred tax	-
	<hr/>
Tax on loss	-
	<hr/>

Mobility Bathing Group Limited

Notes to the financial statements (continued)

For the financial year ended 31 August 2022

10. Tax on loss (continued)

The tax credit on the loss for the year is lower than (2020 – lower than) the standard rate of Corporation tax in the UK of 19% (2020 – 19%). The differences are explained below:

	2022 £'000	2021 £'000
Loss before taxation	(1,295)	(726)
Corporation tax at standard rate	(246)	(138)
<i>Effect of:</i>		
Fixed asset differences	(5)	-
Expenses not deductible for tax purposes	28	51
Group relief surrendered/(claimed)	1	-
Movement in deferred tax not recognised	222	87
Tax on loss	-	-

The deferred tax asset not recognised at the year ended 31 August 2022 was £513,000 (2021: £291,000).

Factors that may affect future tax charges

In the 2021 Spring Budget, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. This was substantively enacted in 2021 and is therefore used to measure UK deferred taxes in both 2021 and 2022, to the extent the related timing differences are expected to reverse in 2023 or later.

Deferred tax balances expected to reverse after April 2023 have been calculated at 25%.

Mobility Bathing Group Limited
Notes to the financial statements (continued)
For the financial year ended 31 August 2022

11. Tangible fixed assets

	Leasehold property improvements £'000	Computer equipment £'000	Fixtures, fittings and equipment £'000	Total £'000
<i>Cost</i>				
At 1 September 2021	403	471	155	1,029
Additions	-	36	58	94
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2022	403	507	213	1,123
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Accumulated depreciation</i>				
At 1 September 2021	104	316	105	525
Charge for the year	40	68	30	138
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2022	144	384	135	663
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 August 2022	259	123	78	460
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2021	299	155	50	504
	<hr/>	<hr/>	<hr/>	<hr/>

Mobility Bathing Group Limited
Notes to the financial statements (continued)
For the financial year ended 31 August 2022

12. Stocks

	2022	2021
	£'000	£'000
Finished goods	724	356

There is no significant difference between the replacement cost of stock and its carrying amount. The directors have considered whether there is any evidence of impairment of stock. No such evidence has been identified and no impairment provision has been recognised at 31 August 2022

13. Debtors

	2022	2021
	£'000	£'000
<i>Amounts falling due within one year:</i>		
Trade debtors	421	356
Amounts owed by group undertakings	5,560	5,916
Other debtors	2,220	647
Prepayments and accrued income	1,131	1,032
	9,332	7,951

Trade debtors are stated after provision for impairment of £302,000 (2021 - £238,000)
 Amounts owed by group undertakings are unsecured, interest free and repayable on demand

14. Creditors: amounts falling due within one year

	2022	2021
	£'000	£'000
Payments received on account	6,362	5,456
Trade creditors	2,603	1,284
Amounts owed to group undertakings	140	857
Other taxation and social security	2,648	1,673
Other creditors	114	36
Accruals and deferred income	1,086	699
	12,953	10,005

Amounts owed to group undertakings are unsecured, interest free and repayable on demand

Mobility Bathing Group Limited
Notes to the financial statements (continued)
For the financial year ended 31 August 2022

15. Provisions for liabilities

	Warranty Provision £'000
At 1 September 2021	113
Amounts charged against provision	113
Provision utilised	(113)
	<hr/>
At 31 August 2022	113
	<hr/>

The warranty provision represents the estimated cost of dealing with any claims which may be made by customers under warranties provided by the company in respect of the installation of goods. The provision is expected to be utilised within twelve months of the balance sheet date.

16. Share capital

Allotted, called-up and fully paid shares:

	2022 No.	2022 £	2021 No.	2021 £
Ordinary shares of £1 each	100	100	100	100
	<hr/>	<hr/>	<hr/>	<hr/>

Mobility Bathing Group Limited
Notes to the financial statements (continued)
For the financial year ended 31 August 2022

17. Operating lease commitments

Future minimum rentals payable under non-cancellable operating leases are as follows:

	2022	2021
	£'000	£'000
Not later than one year	410	10
Later than one year, not later than five years	1,694	-
After five years	531	-
	<hr/>	<hr/>
	2,635	10
	<hr/>	<hr/>

The operating leases are for commercial office and warehouse and photocopiers. The terms of the commercial office is up to December 2028.

18. Employee benefits

The company operates a defined contribution retirement benefit scheme for all qualifying employees. The total expense charged to profit or loss in the year ended 31 August 2022 was £64,000 (2021 - £40,000). Unpaid contributions included in other creditors at the balance sheet date amounted to £7,000 (2021 - £3,000)

19. Related party transactions

The company has applied the exemptions available under FRS102 in respect of disclosure of transactions with fellow group undertakings.

During the year, the company purchased goods from Cassellie Limited (in administration), at a cost of £222,000. At 31 August 2022, the company owed Cassellie Limited £77,000. Cassellie Limited is a company of which L Ellis is a director.

There are no comparatives based on last year Cassellie Limited taking the FRS 102 exemption to disclose.

20. Contingent liabilities

The company has provided a guarantee in respect of the bank borrowings of its parent company. At 31 August 2022, the value of the parent company's bank borrowings was £22,737,000. This arrangement is reinforced by debentures secured against the companies assets.

Mobility Bathing Group Limited

Notes to the financial statements (continued)

For the financial year ended 31 August 2022

21. Post balance sheet event

Post the year end the Group has extended loans which were due to expire on 31st March 2024 to 30th September 2024. This provides further support to the going concern status of the company and group.

22. Ultimate controlling party

The company's immediate parent company, by virtue of its 100% shareholding in the company, is Mobility Group Limited, a company incorporated in England and Wales.

The ultimate parent company is Mobility Group Topco Limited, a company incorporated in England and Wales.

The parent of the largest group and the smallest group in which these financial statements are consolidated is Mobility Group Topco Limited. The registered office of Mobility Group Topco Limited is:

Unit 20-21 Padgets Lane
Redditch
B98 0RA

The most senior parent entity producing publicly available financial statements is Mobility Group Topco Limited. These financial statements are available from the above address.

The ultimate controlling party is Lonsdale Capital Partners L.P.