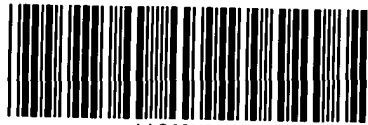


GENMED.ME LIMITED
Strategic Report, Directors' Report and
Financial Statements
for the Year Ended 30 September 2022

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GENMED.ME LIMITED

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for the year ended 30 September 2022**

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GENMED.ME LIMITED
Company Information
for the year ended 30 September 2022

Directors:

Mr Ravindra Modak
Mr Keith Davis
Mr Peter Staff
Mr Geoffrey Baker
Mr Jonathan Crawford Wedgbury

Registered office:

Genmed House
Unit 1, Lakeside Court
Llantarnam Park Way
Cwmbran
Wales
NP44 3GA

Registered number:

06045647 (England and Wales)

Auditors:

BDO LLP
Bridgewater House
Counterslip
Bristol
BS1 6BX

GENMED.ME LIMITED

Strategic Report for the year ended 30 September 2022

The directors present their Strategic Report for Genmed.me Limited (the "company") for the year ended 30 September 2022. Genmed.ME is a vendor neutral managed service provider, specialising in providing economic, administrative, and operational value to the NHS through its support services.

Review of business

Genmed have continued to successfully support customers across its portfolio of customers in Pathology, Endoscopy and Surgery support services. The initial impact of Covid-19 and Government restrictions, including further lockdowns in the Winter of 2021 continued to provide a number of challenges for the Group but we flexibly maintained our services and contractual obligations and we were also able to provide some Covid-19 related services during the year.

Despite the situation easing in the second half of our financial year, the impact has continued to be seen throughout the NHS which has had both a positive and negative impact on our trading. The backlog caused as a result of the pandemic is well publicised and we have seen many of our contracts see activity go above contractual levels which has increased revenues. Conversely, the impact that the pandemic has had on the strategic decision making of many of our customers has been understandably significant and this has certainly slowed processes in relation to tender exercises or in decisions around the procurement services we are able to offer through Genmed Commercial Services.

Despite this Genmed.ME achieved a 9% increase in comparative Revenues, with adjusted EBITDA of £0.5m. Our expectation is that activity levels in elective surgery and pathology services will continue to be high in FY23 which will drive core business activity and we expect more tender opportunities to arise as the NHS gradually starts to re-turn to a more typical.

The directors believe turnover will continue to increase as the company continues to expand the range of services within and beyond the services of Pathology, Endoscopy and Surgery. The company will continue investing in new models and markets to deliver increased value and innovative solutions for NHS customer, including data analysis, financing, and procurement services.

The company has contracts with primary terms of generally between 5-10 years, this guarantees ongoing revenues into 2027 and beyond.

	Year to 30 September 2022	Year to 30 September 2021	Year on year change (£)	Year on year change
£000's unless stated				
Total revenues	109,990	101,191	8,799	9%
Gross profit	5,337	5,276	61	1%
Overheads (excluding depreciation and exceptional costs)	(4,837)	(4,831)	(6)	0%
Adjusted EBITDA	500	445	55	12%
Depreciation	(245)	(146)	(99)	68%
Exceptional costs*	(72)	-	(72)	
Operating profit and profit before tax	183	299	(116)	80%

*relate to additional salary paid as a compensatory payments to a Director who left the business by mutual consent during the year

Principal risks and uncertainties

The directors review internal and external risks of Genmed.ME at their regular Board meetings using a risk register; internal policies, procedures and controls have been developed, including ISO accreditations.

The directors consider that the proposed shift of pathology services in England's NHS to a 'hub and spoke' regional network model may mean opportunities in this sector could be limited in the short term however this transition has been slow to date reflecting the impact of the pandemic and the Directors still believe that there are significant growth potential in other areas of the business, particularly surgery and endoscopy, as the NHS continues to address backlogs in waiting lists and supply chain challenges that we propose to meet through our procurement services.

A principal risk for the business remains the continued delay in decision making and awards for new managed service contracts during the pandemic and uncertainty of the impact of Integrated Care Boards across NHS England. The company continues to monitor the situation closely.

Increases in competition - particularly from manufacturers (OEMs) - remains a risk. Additional independent managed service providers are entering the sector but appear to focus on one or a very limited number of disciplines. In response we continue

**Strategic Report
for the year ended 30 September 2022**

to seek efficiencies in our processes and develop our services to create new value propositions to offer the market.

Given the impact of Covid-19 on the NHS, particularly the NHS' ability to carry out elective surgery and diagnostic services, the directors acknowledge the risk of a new pandemic in the future that could have a similar impact. The company demonstrated strong resilience to Covid-19 and the directors continue to focus on further diversifying the business model to protect against this risk going forward.

Directors' duties and s172 statement

The directors are responsible for adhering to Section 172(1) of the Companies Act 2006 which imposes a general duty on every company director to act, in good faith, in the way they consider will promote the success of the company for the benefit of its shareholders and to also have regard to how the company's activities and decisions taken will impact its stakeholders. The directors' carry out specific measures to ensure compliance with Section 172(1) which are listed below.

Suppliers

The company strives to develop long term relationships with suppliers and subcontractors to ensure that continuous high standards of delivery to the customer base are adhered to. The company has shown its commitment to this area with the establishment of its dedicated procurement function to increase engagement with key suppliers and to review and manage performance. Our suppliers can also be a channel to market and we work closely with key suppliers to support innovation and cost-effective solutions for our customers. All suppliers undergo financial vetting confirm their adherence to Codes of Conduct, against Human Trafficking, Anti-Slavery and that they meet specific customer requirements.

How we engage: Our account managers maintaining regular communication.

Their concerns: Issues with their products and future opportunities are communicated on a timely basis.

How we respond: Regular communications from customers, including outputs from performance review meetings, relating to specific suppliers are communicated to maintain an effective and quality service.

Customers

The company has contracts ranging in term from 2-10 years, and this long-term commitment by both parties is the foundation to build a partnership model where the services provided become essential and fully integrated with the customer's way of operating. The service delivery and account management teams support the customers daily to share developments, solve problems and ensure the continuity of services to the ultimate customer, the patient. The company undertakes customer surveys to gain feedback and measure engagement. The feedback from customers in terms of their challenges and pressures is fed back to the product development teams to develop concepts and service offerings designed to solve the customers challenges within the scope of the services provided.

How we engage: All customers have a dedicated account manager and we provide monthly data summarising key performance indicators and spend information. To support our surgery contracts we meet with senior customer representatives at least quarterly to review delivery performance.

Their concerns: To ensure clear understanding of spend and performance levels against agreed contract requirements and, as a supplier, we are meeting their needs.

How we respond: Our dedicated data team provide monthly information describing contract delivery. For our surgery contracts, we have a team on site to ensure activity is carried out effectively and any issues are reported to the Trust on a timely basis.

Employees

The company had 64 employees at the end of the year, across a range of locations including three base offices, the customer hospital sites or field-based employees covering a range of territories. The company places considerable value on the involvement and engagement of its employees and developing a culture of high performance and a one team approach, despite the multiple locations of the teams. This has been particularly important in the recent period, where team building and support has been a key area of attention, facilitating remote working and ensuring employees feel supported and engaged; the company undertakes frequent regular all company communications to update teams on developments and successes. The company has an established staff forum that works with the Senior Management Team and the company has invested in the training of three Mental Health First Aiders to support all employees.

How we engage: We aim to be open with colleagues, to keep them updated on business activity and seek views and feedback on any aspect of the company through the management structure, 'town hall' meetings and a Staff Forum.

Their concerns: The overall working conditions and environment are suitable, including safety standards. Opportunity to progress and seek personal development opportunities. Opportunities are equitable.

How we respond: Quarterly town hall meetings are held to allow the CEO and the senior management team to update all staff on news, events, developments and significant changes; including the opportunity for colleagues to share views and concerns. Each member of staff is set personal objectives and work with their line manager to drive personal development. Private medical care is provided to all staff. Following advice from governments, we supported staff to work from home during covid lockdowns.


GENMED.ME LIMITED

**Strategic Report
for the year ended 30 September 2022**

Future developments

Genmed is a leader in the development of new and innovative managed service contract structures. Product development is a key focus for the company to provide continued development and introduction of managed services into new clinical and non-clinical areas, both for existing and new clients supporting delivery of valued services, cost savings and efficiencies. Genmed has its own service development pipeline to support expansion through new and additional services into its current installed base, which will add value both for the company and its clients.

On behalf of the board:



.....
Director

Date:28th June 2023.....

GENMED.ME LIMITED

**Directors' Report
for the year ended 30 September 2022**

The directors present their report and the financial statements of the company for the year ended 30 September 2022.

Principal activity

The principal activity of the company in the period under review was that of the provision of vendor neutral managed service contracts to the NHS, predominantly in the areas of Surgery, Endoscopy and Pathology.

Dividends

No dividends will be distributed for the year ended 30 September 2022 (2021: nil)

Directors

The directors shown below have held office during the whole of the period from 1 October 2021 to the date of this report.

Mr Ravindra Modak
Mr Keith Davis
Mr Peter Staff
Mr Geoffrey Baker
Mr Jonathan Crawford Wedgbury

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company, and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- 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 auditor

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

On behalf of the board:



.....
Director

Date:28th June 2023.....

**Independent Auditor's Report to the Members of
Genmed.Me Limited**

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Genmed.me Limited ("the company") for the year ended 30 September 2022 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity the Cash Flow Statement and the 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Strategic Report, Directors' Report and Financial Statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

- the information given in the Strategic Report and the Directors' Report for the financial 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 material misstatements in the Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

**Independent Auditor's Report to the Members of
Genmed.Me Limited**

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

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- we obtained an understanding of the legal and regulatory frameworks that are applicable to the Company. These included but were not limited to compliance with the Companies Act 2006, UK GAAP and tax legislation;
- in addressing the risk of fraud, including the risk of management override of controls and the risk of fraud in revenue recognition, we performed journals testing based on a set of risk criteria and tested to supporting documentation and we tested a sample of costs, incurred by the company and passed onto customers, to confirm that the costs were valid contract expenses;
- we agreed financial statement disclosures to supporting documentation;
- we made enquiries of management;
- we reviewed board minutes throughout the year; and
- we remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

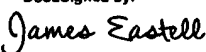
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by,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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



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James Eastell (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

Bristol, UK

29 June 2023

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

GENMED.ME LIMITED
Statement of Comprehensive Income
for the year ended 30 September 2022

		Year ended 30 September 2022 £	Year ended 30 September 2021 £
	Notes		
Turnover	2	109,990,223	101,190,922
Cost of sales		<u>(104,653,242)</u>	<u>(95,915,180)</u>
Gross profit		5,336,981	5,275,742
Administrative expenses		<u>(5,153,782)</u>	<u>(4,976,493)</u>
Operating profit and Profit before taxation	5	183,199	299,249
Tax on profit	7	<u>(87,142)</u>	<u>(57,146)</u>
Profit for the financial year		96,057	242,103
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>96,057</u>	<u>242,103</u>

The notes on page 12-19 form part of these financial statements

GENMED.ME LIMITED (REGISTERED NUMBER: 06045647)

Balance Sheet
30 September 2022

	Notes	£	30 September 2022 £	£	30 September 2021 £
Fixed assets					
Tangible assets	8		602,863		682,811
Current assets					
Stocks	9	154,010		154,010	
Debtors	10	17,971,943		21,677,672	
Cash in hand		8,646,112		5,329,301	
		26,772,065		27,160,983	
Creditors					
Amounts falling due with one year	11	(24,451,620)		(25,113,743)	
Net current assets			2,320,445		2,047,240
Total assets less current liabilities			2,923,308		2,730,051
Creditors: amounts falling due after more than one year	12		(427,379)		(366,307)
Provisions for Liabilities	15		(147,125)		(110,997)
Net assets			2,348,804		2,252,747
Capital and reserves					
Called up share capital	16		4		4
Share premium	17		89,999		89,999
Retained earnings	17		2,258,801		2,162,744
Shareholders' funds			2,348,804		2,252,747

The financial statements were approved by the Board of Directors on 28 June 2023 and were signed on its behalf by:



Mr Keith Davis - Director

The notes on pages 12-19 form part of these financial statements

GENMED.ME LIMITED

Statement of Changes in Equity
for the year ended 30 September 2022

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 30 September 2021	<u>4</u>	<u>2,162,744</u>	<u>89,999</u>	<u>2,252,747</u>
Changes in equity				
Total comprehensive income	-	96,057	-	96,057
	<u>4</u>	<u>2,258,801</u>	<u>89,999</u>	<u>2,348,804</u>
Balance at 30 September 2022				
Balance at 30 September 2020	<u>4</u>	<u>1,920,641</u>	<u>89,999</u>	<u>2,010,644</u>
Changes in equity				
Total comprehensive income	-	242,103	-	242,103
	<u>4</u>	<u>2,162,744</u>	<u>89,999</u>	<u>2,252,747</u>
Balance at 30 September 2021				

The notes on pages 12-19 form part of these financial statements

GENMED.ME LIMITED

**Cash Flow Statement
for the year ended 30 September 2022**

		Year ended 30 September 2022 £	Year ended 30 September 2021 £
	Notes		
Cash flows from operating activities			
Cash (used in)/generated from operations	20	3,415,001	(5,451,187)
Tax credit received		6,379	(64,358)
Net cash (used in)/generated from operating activities		3,421,380	(5,515,545)
Purchase of tangible fixed assets		-	(140,903)
Net cash used in investing activities		-	((140,903))
Cash flows used in financing activities			
Finance lease repayments		(104,569)	(49,704)
Net cash used in financing activities		(104,569)	(49,704)
(Decrease)/increase in cash and cash equivalents		3,316,811	(5,706,152)
Cash and cash equivalents at beginning of year	21	5,329,301	11,035,453
Cash and cash equivalents at end of year	21	8,646,112	5,329,301

GENMED.ME LIMITED

**Notes to the Financial Statements for
the year ended 30 September 2022**

1. Statutory information

Genmed.Me Limited is a private company, limited by shares, registered in England and Wales. The company's registered number is 06045647 and registered office address is Genmed House, Unit 1, Lakeside Court, Llantarnam Park, Cwmbran, Wales, NP44 3GA.

2. Accounting policies

Basis of preparing the financial statements

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

Turnover

Turnover comprises income derived from managed service contracts, exclusive of VAT, and is mainly invoiced monthly or quarterly in advance, based on agreed amounts with the customer. Contract overspends/underspends are billed/credited in arrears. Revenue is recognised during the period in which the managed service was delivered.

All turnover arose within the United Kingdom.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset on a straight-line basis over its estimated useful life.

Plant and machinery	- 3 – 5 years
Office equipment	- 3 years
Computer equipment	- 3 years

Notes to the Financial Statements - continued
for the year ended 30 September 2022

2. Accounting policies - continued

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pensions and employee benefits

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Short term employee benefits including holiday pay and annual bonuses are accrued as services become rendered.

Operating leases

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

Finance leases

Assets obtained under finance leases are capitalised as tangible assets. Assets acquired under finance lease are depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Key sources of estimation uncertainty and judgements

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgement that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

There is estimation uncertainty in calculating bad debt provisions. A full line by line review of trade debtors is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provision do not match the level of debts which ultimately prove to be uncollectable.

GENMED.ME LIMITED

**Notes to the Financial Statements - continued
for the year ended 30 September 2022**

2. Accounting policies - continued

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank and bank overdrafts which are an integral part of the company's cash management.

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

3. Employees and directors

	Year ended 30 September 2022 £	Year ended 30 September 2021 £
Wages and salaries	2,970,663	2,827,632
Social security costs	366,873	322,232
Other pension costs	142,224	135,949
	<u>3,479,760</u>	<u>3,285,813</u>

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

	Year ended 30 September 2022	Year ended 30 September 2021
Directors	5	5
Sales and admin	57	53
	<u>62</u>	<u>58</u>

4. Directors' emoluments

	Year ended 30 September 2022 £	Year ended 30 September 2021 £
Directors' remuneration	763,050	671,061
Contributions to defined contribution pension schemes	33,039	31,231

Three directors are members of a defined contribution scheme (2021: Three)

Highest paid director

The highest paid director emoluments were as follows:

	Year ended 30 September 2022 £	Year ended 30 September 2021 £
Directors' remuneration	250,000	250,000
Contributions to defined contribution pension schemes	12,500	12,500

Notes to the Financial Statements - continued
for the year ended 30 September 2022

5. Operating profit

The operating profit is stated after charging:

	Year ended 30 September 2022 £	Year ended 30 September 2021 £
Depreciation – owned assets	159,855	145,603
Depreciation – leased assets	84,201	43,479
Operating lease charges – buildings	170,774	166,795

6. Auditors' remuneration

	Year ended 30 September 2022 £	Year ended 30 September 2021 £
Fees payable to the company's auditors for the audit of the company's financial statements	42,472	41,080
Taxation compliance services	10,301	14,733

7. Taxation

Analysis of the tax charge

The tax charge on the profit for the period was as follows:

	Year ended 30 September 2022 £	Year ended 30 September 2021 £
Current tax:		
UK corporation tax	-	-
Adjustment in respect of prior periods	51,013	948
Deferred tax:		
Timing differences	36,129	42,943
Adjustments in respect of prior periods	-	(3,078)
Tax rate change on opening balances	-	16,333
Total deferred tax	36,129	56,198
Tax on profit	87,142	57,146

Reconciliation of total tax charge included in profit and loss

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	Year ended 30 September 2022 £	Year ended 30 September 2021 £
Profit before tax	183,199	299,249
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	34,808	56,857
Effects of:		
Expenses not deductible for tax purposes	1,302	4,064
Fixed asset differences	(9,354)	(28,393)
Other timing differences	702	109
Adjustments to charge in respect of prior periods	51,013	948
Adjustments to deferred tax in respect of prior periods	-	(3,078)
Remeasurement of Deferred Tax for changes in tax rates	8,671	26,639
Total tax charge	87,142	57,146

GENMED.ME LIMITED

**Notes to the Financial Statements - continued
for the year ended 30 September 2022**

8. Tangible fixed assets

	Plant and machinery £	Computer equipment £	Office Equipment £	Totals £
Cost				
At 1 October 2021	840,746	130,094	185,901	1,156,741
Additions	-	164,108	-	164,108
	<u>840,746</u>	<u>294,202</u>	<u>185,901</u>	<u>1,320,849</u>
At 30 September 2022				
Depreciation				
At 1 October 2021	(297,809)	(69,419)	(106,702)	(473,930)
Charge for year	(139,208)	(102,489)	(2,359)	(244,056)
	<u>(437,017)</u>	<u>(171,908)</u>	<u>(109,061)</u>	<u>(717,986)</u>
At 30 September 2022				
Net book value				
At 30 September 2022	<u>403,729</u>	<u>122,294</u>	<u>76,840</u>	<u>602,863</u>
At 30 September 2021	<u>542,937</u>	<u>60,675</u>	<u>79,199</u>	<u>682,811</u>

The net book value of assets held under finance leases included in plant and machinery above are £494,872 (2021: £432,372).

9. Stocks

	Year ended 30 September 2022 £	Year ended 30 September 2021 £
Finished goods	<u>154,010</u>	<u>154,010</u>

10. Debtors: amounts falling due within one year

	Year ended 30 September 2022 £	Year ended 30 September 2021 £
Trade debtors	5,827,171	8,597,286
Amounts owed by group undertakings*	1,531,700	924,336
VAT	166,271	865,296
Tax	-	57,392
Other debtors	2,473,679	178,225
Prepayments and accrued income	<u>7,973,122</u>	<u>11,055,137</u>
	<u>17,971,943</u>	<u>21,677,672</u>

Notes to the Financial Statements - continued
for the year ended 30 September 2022

11. Creditors: amounts falling due within one year

	Year ended 30 September 2022	Year ended 30 September 2021
	£	£
Trade creditors	11,075,715	12,390,473
Social security and other taxes	104,788	133,642
Obligations under finance lease	75,576	77,109
Other creditors	2,336,435	-
Accruals and deferred income	10,859,106	12,512,519
	<u>24,451,620</u>	<u>25,113,743</u>

12. Creditors: amounts falling due after more than one year

	Year ended 30 September 2022	Year ended 30 September 2021
	£	£
Obligations under finance lease	427,379	366,307
Other creditors	-	-
	<u>427,379</u>	<u>366,307</u>

13. Obligations under finance lease

The future minimum finance lease payments are as follows:

	Year ended 30 September 2022	Year ended 30 September 2021
	£	£
Within one year	100,942	77,109
Between 1 – 5 years	486,171	366,306
	<u>587,113</u>	<u>443,415</u>

Finance leases are secured over the assets that they fund.

14. Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows:

	Year ended 30 September 2022	Year ended 30 September 2021
	£	£
Within one year	168,710	92,833
Between one and five years	507,950	248,755
In more than five years	400,000	-
	<u>1,076,660</u>	<u>341,588</u>

GENMED.ME LIMITED

Notes to the Financial Statements - continued
for the year ended 30 September 2022

15. Provisions for liabilities

	Year ended 30 September 2022 £	Year ended 30 September 2021 £
Deferred tax		
Fixed asset timing differences	150,715	170,703
Other timing differences	(2,673)	(3,165)
Losses and other deductions	(917)	(56,541)
	<u>147,125</u>	<u>110,997</u>
		Deferred tax £
Balance at 1 October 2021		110,997
Charge to Statement of Comprehensive Income during year		<u>36,129</u>
Balance at 30 September 2022		<u>147,126</u>

16. Called up share capital

	Year ended 30 September 2022 £	Year ended 30 September 2021 £
Allotted, called up and fully paid		
400 Ordinary shares £0.01 each	<u>4</u>	<u>4</u>
	<u>4</u>	<u>4</u>

All ordinary shares are classified as equity instruments, rank pari passu and are voting ordinary shares.

17. Reserves

	Retained earnings £	Share premium £	Totals £
At 1 October 2021	2,162,744	89,999	2,252,743
Profit for the period	<u>147,070</u>	<u>-</u>	<u>147,070</u>
At 30 September 2022	<u>2,309,814</u>	<u>89,999</u>	<u>2,399,813</u>

Share premium account:

The share premium account represents the consideration received in respect of the issuance of shares capital in excess of the nominal value of that share capital less any costs directly incurred in connection with the issue.

Retained earnings:

The retained earnings represent the accumulated profits, losses and distributions of the company.

18. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £142,224 (2021: £135,949).

Notes to the Financial Statements - continued
for the year ended 30 September 2022

19. Related party disclosures

As at the balance sheet date loans made by the company to directors of the company amounted to £137,179 (2021: £176,373). These loans are repayable on any exit event or sale of shares held by management. These attract no interest.

During the year the company made sales of £nil (2021: £4,146,275) and purchases of £5,839,119 (2021: £6,595,897) to and from a company which is a 39% shareholder and in which a director has a material interest. As at the balance sheet date amounts due to the company amounted to £885,710 (2021: £776,019).

During the year the company paid £80,000 of rent to a company in which a director has a material interest. As at the year end the company owed rent of £nil (2021: £nil) to the company.

20. Reconciliation of profit before taxation to cash generated from operations

	Year ended 30 September 2022 £	Year ended 30 September 2021 £
Profit before taxation	183,199	299,249
Depreciation charges	244,056	189,083
	<u>427,255</u>	<u>488,332</u>
Increase in trade and other debtors	3,648,337	(576,125)
Decrease in trade and other creditors	(660,591)	(5,363,394)
Cash generated from operations	<u>3,415,001</u>	<u>(5,451,187)</u>

21. Cash and cash equivalents

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

	30 September 2022 £	30 September 2021 £
Cash at bank and in hand	<u>8,646,112</u>	<u>5,329,301</u>

22. Post balance sheet events

Following a lengthy judicial review, one of Genmed's customers was successful in an appeal with HMRC. Genmed have entered into negotiations with this customer to agree a revised fee for the period which is likely to be in line with other Genmed customers. It is expected that these negotiations will conclude during the period 20 September 2023.

23. Controlling party

The immediate parent company at the 30 September 2022 is Genmed Group Limited, a company incorporated in England and Wales.

Genmed Group Limited prepares consolidated financial statements, copies can be obtained from the Company Secretary at Genmed House, Unit 1, Lakeside Court, Llantarnam Park Way, Cwmbran, Wales, NP44 3GA.

Genmed Group Limited is controlled by Mr Ravindra Modak.