

Registered number: 08670412

## FRONTIER MEDICAL SOLUTIONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021



## **FRONTIER MEDICAL SOLUTIONS LIMITED**

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## **FRONTIER MEDICAL SOLUTIONS LIMITED**

### **COMPANY INFORMATION**

**Directors**

M J Bambery  
Dr M B Jackson

**Registered Number**

08670412

**Registered Office**

Innova One  
Tredegar Business Park  
Tredegar  
Blaenau Gwent  
NP22 3EL

**Independent Auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
One Kingsway  
Cardiff  
CF10 3PW

## FRONTIER MEDICAL SOLUTIONS LIMITED

### STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their Strategic Report for Frontier Medical Solutions Limited (the "Company") for the year ended 31 March 2021.

#### Business overview

The Company is primarily a holding company.

#### Business review and Key performance indicators (KPIs)

The directors of the ultimate parent company, Frontier Medical Group Limited, manage the Group's operations and monitor financial performance on a divisional basis, which do not correlate to the operations and financial performance of the individual subsidiary companies. For this reason, the Company's directors believe that analysis using financial performance/KPIs for the Company is not necessary nor appropriate for an understanding of the development, performance, or position of the Company. Discussion of the development, performance and position of the Company is therefore integrated within the annual report of Frontier Medical Group Limited (which does not form part of this report).

#### Strategic objectives and principal risks/uncertainties

From the perspective of the Company, the strategic objectives and principal risks/uncertainties are integrated with those of the ultimate parent company, Frontier Medical Group Limited, and are not managed separately. Accordingly, the strategic objectives and principal risks/uncertainties of Frontier Medical Group Limited, which include those of the Company, are discussed in the annual report of Frontier Medical Group Limited (which does not form part of this report).

The directors are satisfied with the financial position of the Company at the Balance Sheet date and that it provides the basis from which to meet the Group's objectives.

#### Section 172 statement

The directors are required by the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote success of the Company for the benefit of its shareholders as a whole, and in doing so have regard to the following:

- *The likely long-term consequences of any decision:* The Board's vision and objectives are reviewed and renewed on an annual basis, taking into consideration the views from senior management. Both the longer-term strategies and shorter-term tactics required to deliver against these objectives are agreed with the Board and then cascaded down throughout the business. Strategies and tactics required at lower levels throughout the business are also reviewed and renewed to ensure that they remain fully aligned. These mechanisms, combined with the regular dialogue between the Executive Directors and the wider Board, ensure that the consequences of any long-term decisions are considered carefully, and particularly whether they are aligned with the Company's vision and objectives.
- *The interests of the Company's employees and stakeholders:* The Board considers its major stakeholders to be its employees, suppliers, customers and shareholders. When making decisions, the interests of these stakeholders are considered informally as part of the Board's Group discussions.

The Board has a good relationship with the Company's employees. The Board maintains constructive dialogue with employees through the Executive Directors. Appropriate remuneration and incentive schemes are maintained to align employees' objectives with those of the Company. The Company regularly discusses progress both locally and at a Group level using a variety of ways e.g. 'town hall' style meetings, regular email communications, feedback from continuous improvement boards located throughout the premises and promoting an open-door policy. These provide employees with clear mechanisms of engagement to/from senior management and the Board.

## FRONTIER MEDICAL SOLUTIONS LIMITED

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

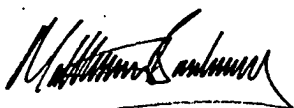
#### Section 172 statement (continued)

- *The need to foster the Company's relationships with suppliers, customers and others:* The Board ensures that the Company endeavours to maintain good relationships with its suppliers by contracting on their standard terms. We meet and communicate with our significant suppliers regularly, and where required we audit their activities in a timely and cost-efficient manner. We frequently offer, and value, long term contracts and relationships to provide stability to their business in return for cost savings. These principles ensure that the interests are aligned across both the Company and our significant suppliers.

Similarly, we engage with customers on agreed and reasonable terms, often using standard contractual terms. We meet and engage with significant customers on a regular basis to provide them with continuity of training, support and communication.

- *The impact of the Company's operations on the community and the environment:* The Company, led by the Board, aims to have a positive impact on the communities and environment within which it operates. The Board recognises that the Company has a duty to be a good corporate citizen, to minimise harm to the environment and to contribute to the local communities in which it operates.
- *The desirability of the Company maintaining a reputation for high standards of business conduct:* The Board recognises the importance of maintaining high standards of business conduct and these are communicated clearly to all employees in the Company Handbook. The Group operates appropriate policies of business ethics and provides mechanisms for whistle blowing and complaints.
- *The need to act fairly as between shareholders of the Company:* The Board endeavours to maintain good relationships with its shareholders and treat them equally. This is achieved through professionally negotiated legal documents and significant shareholders being represented on the Board of Directors.

This report was approved by the board and signed on its behalf by:



**M J Bambery**  
Director

Date: 3 February 2022

## **FRONTIER MEDICAL SOLUTIONS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021**

The directors present their annual report and the audited financial statements of Frontier Medical Solutions Limited (the "Company") for the year ended 31 March 2021.

#### **Principal activity**

The principal activity of the Company is that of a holding company

#### **Results and dividends**

The profit for the financial year amounted to £6,721,000 (2020: loss £1,000).

The Company paid a dividend of £6,722,000 (2020: £Nil) during the year.

#### **Directors**

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

M J Bambery  
S T Jackson (resigned 10 November 2021)  
Dr M B Jackson (appointed 24 September 2021)

#### **Financial risk management**

The financial risk management objectives and policies are described within the Strategic Report under the 'Principal risks and uncertainties' section of Frontier Medical Group Limited's annual report and financial statements.

#### **Future developments**

Frontier Medical Solutions Limited acts as a holding company. The future developments of the Group are described within the Strategic Report in Frontier Medical Group Limited's annual reports and financial statements.

#### **Post balance sheet events**

On 31 May 2021 Agilitas Private Equity completed their buyout of the Group. As part of this transaction the non-executive directors of the Group resigned.

#### **Going concern**

The Company meets its day to day working capital requirements through its cash and bank facilities via the Group. As a result of the sale of Frontier Plastics Limited and Frontier NX Limited on 10 July 2020, proceeds from this sale were used to settle the outstanding bank and shareholder debt. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence in the foreseeable future.

#### **Covid-19**

Given the nature of the medical products that we supply, the Covid-19 outbreak and subsequent pandemic has not resulted in any concerns with regards the Group's cashflows nor its ability to continue operating as a going concern. Our Covid-19 policy is regularly updated in line with UK Government guidelines and this is communicated to staff on a regular basis. As part of this we have embedded controls throughout the business to safeguard, as best as practicably possible, the well-being and safety of our employees, customers and suppliers.

## **FRONTIER MEDICAL SOLUTIONS LIMITED**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021**

#### **Statement of directors' responsibilities in respect of the financial statements**

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

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006.

#### **Directors' confirmations**

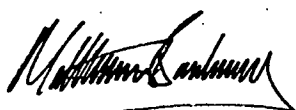
In the case of each director in office at the date the Directors' Report is approved:

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

#### **Independent auditors**

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf by:



**M J Bambery**  
Director

Date: 3 February 2022

## **FRONTIER MEDICAL SOLUTIONS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FRONTIER MEDICAL SOLUTIONS LIMITED**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion, Frontier Medical Solutions Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2021; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Conclusions relating to going concern**

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.



## FRONTIER MEDICAL SOLUTIONS LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FRONTIER MEDICAL SOLUTIONS LIMITED (CONTINUED)

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

#### *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

#### **Responsibilities for the financial statements and the audit**

##### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

##### *Auditors' 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 auditors' 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. 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.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent transactions designed to overstate the financial performance and position of the Group. Audit procedures performed by the engagement team included:

- Reviewing board minutes and holding discussions with management, including consideration of any known or suspected instances of non-compliance with laws and regulations and fraud
- Using computer based audit techniques to identify and test higher risk manual journals, in particular those having unusual account combinations
- Obtaining third party confirmations of all the entity's banking and financing arrangements.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

## **FRONTIER MEDICAL SOLUTIONS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FRONTIER MEDICAL SOLUTIONS LIMITED (CONTINUED)**

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **Other required reporting**

##### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Jason Clarke (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
Date: 9 February 2022

**FRONTIER MEDICAL SOLUTIONS LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £000	2020 £000
Administrative expenses		(1)	(1)
<b>Operating loss</b>		<b>(1)</b>	<b>(1)</b>
Income from shares in group undertakings	7	6,722	-
<b>Profit/(loss) before taxation</b>		<b>6,721</b>	<b>(1)</b>
Tax on profit/(loss)	8	-	-
<b>Profit/(loss) for the financial year</b>		<b>6,721</b>	<b>(1)</b>
<b>Total comprehensive income/(expense) for the financial year</b>		<b>6,721</b>	<b>(1)</b>

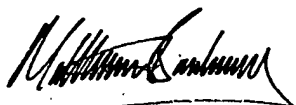
The notes on pages 12 to 19 form part of these financial statements.

**FRONTIER MEDICAL SOLUTIONS LIMITED**  
**REGISTERED NUMBER: 08670412**

**BALANCE SHEET**  
**AS AT 31 MARCH 2021**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Investments	10	56	56
<b>Current assets</b>			
Debtors	11	75	75
Creditors: amounts falling due within one year	12	(74)	(73)
<b>Net current assets</b>		<u>1</u>	<u>2</u>
<b>Total assets less current liabilities</b>		<u>57</u>	<u>58</u>
<b>Capital and reserves</b>			
Called up share capital	13	1	1
Share premium account	14	55	55
Profit and loss account	14	<u>1</u>	<u>2</u>
<b>Total shareholders' funds</b>		<u>57</u>	<u>58</u>

The financial statements on pages 9 to 19 were approved and authorised for issue by the board and were signed on its behalf by:



**M J Bambery**  
 Director

Date: 3 February 2022

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

**FRONTIER MEDICAL SOLUTIONS LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total shareholders' funds £000
<b>At 1 April 2019</b>	<b>1</b>	<b>55</b>	<b>3</b>	<b>59</b>
<b>Comprehensive expense for the financial year</b>				
Loss for the financial year	-	-	(1)	(1)
<b>Total comprehensive expense for the financial year</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>(1)</b>
<b>At 31 March 2020 and 1 April 2020</b>	<b>1</b>	<b>55</b>	<b>2</b>	<b>58</b>
<b>Comprehensive income for the financial year</b>				
Profit for the financial year	-	-	6,721	6,721
<b>Total comprehensive income for the financial year</b>	<b>-</b>	<b>-</b>	<b>6,721</b>	<b>6,721</b>
<b>Contributions by and distributions to owners</b>				
Dividends paid	-	-	(6,722)	(6,722)
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>(6,722)</b>	<b>(6,722)</b>
<b>At 31 March 2021</b>	<b>1</b>	<b>55</b>	<b>1</b>	<b>57</b>

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

## **FRONTIER MEDICAL SOLUTIONS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

#### **1. General information**

Frontier Medical Solutions Limited (the "Company") primarily acts as a holding company.

The Company is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is Innova One, Tredegar Business Park, Tredegar, Blaenau Gwent, NP22 3EL.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. The accounting policies have been applied consistently. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied consistently throughout the year:

##### **2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Frontier Medical Group Limited as at 31 March 2021 and these financial statements may be obtained from Innova One, Tredegar Business Park, Tredegar, Blaenau Gwent, Wales, NP22 3EL.

##### **2.3 Related parties**

The Company has taken advantage of exemption, under FRS 102 paragraph 33.2, from disclosing transactions within members of the same group that are wholly owned.

## **FRONTIER MEDICAL SOLUTIONS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

#### **2. Accounting policies (continued)**

##### **2.4 Consolidation exemption**

The Company is a wholly owned subsidiary of Frontier Medical Group Limited and is included in the consolidated financial statements of Frontier Medical Group Limited which are publically available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

##### **2.5 Going concern**

The Company meets its day to day working capital requirements through its cash and bank facilities via the Group. As a result of the sale of Frontier Plastics Limited and Frontier NX Limited on 10 July 2020, proceeds from this sale were used to settle the outstanding bank and shareholder debt. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence in the foreseeable future.

##### **2.6 Investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

##### **2.7 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### **2.8 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### **2.9 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

## **FRONTIER MEDICAL SOLUTIONS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

#### **2. Accounting policies (continued)**

##### **2.9 Financial instruments (continued)**

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **2.10 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### **2.11 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

##### **2.12 Current and deferred taxation**

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations; when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.



## FRONTIER MEDICAL SOLUTIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

#### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

The Company did not make any significant judgements and estimates in applying accounting policies during the financial years ended 31 March 2021 and 31 March 2020. However, the Company do review the carrying value of investments and considers whether there are any impairment indicators. As at 31 March 2021, there is £Nil (2020: £Nil) impairment.

#### 4. Auditors' remuneration

	2021 £000	2020 £000
Fees payable to the Company's auditors for the audit of the Company's annual accounts	1	1

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the Group accounts of the parent company.

#### 5. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2020: £Nil).

#### 6. Directors' remuneration

Remunerations of the directors are borne by other group companies, without recharge. The directors of the Company are also directors of a number of other group companies and it is not possible to make an accurate apportionment of the emoluments in respect of each of the Group companies.

#### 7. Income from shares in group undertakings

	2021 £000	2020 £000
Dividends received from subsidiaries	6,722	-

# FRONTIER MEDICAL SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 8. Tax on profit/(loss)

	2021 £000	2020 £000
<b>Corporation tax</b>		
Current tax for the financial year	-	-
<b>Total current tax</b>	-	-

### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020: the same as) the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The differences are explained below:

	2021 £000	2020 £000
Profit/(loss) before taxation	6,721	(1)
Profit/(loss) before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	1,277	-
<b>Effects of:</b>		
Income made up of dividend from subsidiaries	(1,278)	-
Effects of group relief/ other reliefs	1	-
<b>Total tax charge for the financial year</b>	-	-

### Factors that may affect future tax charges

In the Spring Budget 2021, the government announced that from 1 April 2023 the headline corporation tax rate will increase to 25%. As the proposal to increase the rate to 25% had not been substantively enacted at the Balance Sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the Balance Sheet date, would not be material to disclose.

### 9. Dividends

	2021 £000	2020 £000
Dividends paid equivalent to £125.34 per share (2020: £Nil)	6,722	-

# FRONTIER MEDICAL SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 10. Investments

	Investments in subsidiary companies £000
<b>Cost and net book value</b>	
At 1 April 2020	56
At 31 March 2021	56

On 10 July 2020 the Frontier Medical Group Limited sold its Infection Prevention business in a carve-out to Vernacare (Verna Group International Limited), which included the two trading entities Frontier Plastics Limited (along with Frontier Multigate Limited which is a subsidiary of Frontier Plastics Limited) and Frontier NX Limited. Proceeds from this sale were used to settle the outstanding bank and shareholder debt.

#### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Frontier Medical Limited	Innova One, Tredegar Business Park, Tredegar, Blaenau Gwent, United Kingdom, NP22 3EL	Holding company	Ordinary	100%
Frontier Medical Products Limited	Innova One, Tredegar Business Park, Tredegar, Blaenau Gwent, United Kingdom, NP22 3EL	Holding company	Ordinary	100%
Frontier Therapeutics Limited	Innova One, Tredegar Business Park, Tredegar, Blaenau Gwent, United Kingdom, NP22 3EL	Manufacture and sale of medical devices	Ordinary	100%
Clensicare Limited	Innova One, Tredegar Business Park, Tredegar, Blaenau Gwent, United Kingdom, NP22 3EL	Dormant	Ordinary	100%
Genie Care Limited	Innova One, Tredegar Business Park, Tredegar, Blaenau Gwent, United Kingdom, NP22 3EL	Manufacture and sale of medical devices	Ordinary	100%

## FRONTIER MEDICAL SOLUTIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

#### 11. Debtors

	2021 £000	2020 £000
Amounts owed by group undertakings	75	75

Amount owed by group undertakings are repayable on demand, and have no securities, payment date or interest rate.

#### 12. Creditors: amounts falling due within one year

	2021 £000	2020 £000
Amounts owed to group undertakings	74	67
Taxation and social security	-	3
Accruals and deferred income	-	3
	74	73

Amount owed to group undertakings are repayable on demand, and have no securities, payment date or interest rate.

#### 13. Called up share capital

	2021 £000	2020 £000
Allotted, called up and fully paid		
55,630 (2020: 55,630) Ordinary shares of £0.01 (2020: £0.01) each	1	1

#### 14. Reserves

##### Share premium account

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

##### Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the Company.

#### 15. Post balance sheet events

On 31 May 2021 Agilitas Private Equity completed their buyout of the Group. As part of this transaction the non-executive directors of the Group resigned.

## **FRONTIER MEDICAL SOLUTIONS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

#### **16. Ultimate parent undertaking and controlling party**

The immediate parent company is Frontier Medical Investments Limited, a company incorporated within the United Kingdom, of which it is a wholly owned subsidiary. The ultimate controlling party is Agilitas 2020 Private Equity Fund SCSP.

Frontier Medical Group Limited is the ultimate parent company and parent of both the smallest and the largest group to prepare consolidated financial statements in which the results of the Company are included. The financial statements of Frontier Medical Group Limited are available from Innova One, Tredegar Business Park, Tredegar, Blaenau Gwent, Wales, NP22 3EL.

Kansas Topco Limited is the ultimate controlling party at the Balance Sheet date (see note 15).