

Registered number: 09069539

ERGEA UK AND IRELAND HOLDINGS LIMITED
(formally Althea UK and Ireland Holdings Limited)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022



ERGEA UK AND IRELAND HOLDINGS LIMITED

COMPANY INFORMATION

| | |
|--------------------------|---|
| DIRECTORS | D. A. Rolfe (appointed 29 September 2020) V. Wheeler (appointed 1 January 2023) F. Morerio (appointed 1 January 2023) J. E. Muolo (appointed 26 July 2022) A. Dogliani (resigned 26 July 2022) E. Mambelli (resigned 26 July 2022) A. Mussari (appointed 26 July 2022, resigned 31 December 2022) |
| REGISTERED NUMBER | 09069539 |
| REGISTERED OFFICE | Unit 4 Ely Road Theale Commercial Estate Theale Berkshire RG7 4BQ |

ERGEA UK AND IRELAND HOLDINGS LIMITED

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ERGEA UK AND IRELAND HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

INTRODUCTION

The directors present their strategic report and the financial statements for the year ended 31 December 2022.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

Ergea UK and Ireland Holdings Limited (formally known as Althea UK and Ireland Holdings Limited) is an investment holding company.

Due to the nature of the business, the directors do not consider the use of key performance indicators necessary to provide an understanding of the development, performance or position of the business.

In July 2022, the Company was sold to Ergéa Group UK Ltd, a subsidiary of Ergéa Group S.à.r.l.. The change of ownership will not impact the Company's ability to continue providing services or to operate as a going concern.

PRINCIPAL RISKS AND UNCERTAINTIES

There is a risk that the recoverable amount of the company's investment may fall below its cost. The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable and provision is made for any impairment.

STATEMENT BY THE DIRECTORS IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH S172(1) COMPANIES ACT 2006

In accordance with the Regulations, the Directors hereby confirm that we have complied with the provisions of the Regulations and, in good faith, how we have acted in regard to the long-term success of the Company, under section 172(1).

The Company, as an intermediate holding company, has no employees or suppliers and as such the Directors primarily consider the interests of the sole member, and ultimate parent company, with regard to performing their duties on matters set out under Section 172 as outlined below:

The key board decisions approved during the year were made in line with the strategic goals and objectives of both the Company and the parent company Ergéa Group S.à.r.l.

This report was approved by the board on 28 September 2023 and signed on its behalf.



D. A. Rolfe
Director

ERGEA UK AND IRELAND HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Registered No. 09069539

The directors present their report and the financial statements for the year ended 31 December 2022.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £16,140,824 (2021 - £794,845).

The directors do not recommend a dividend and no dividend was approved in the prior year.

DIRECTORS

The directors who served during the year were:

J. E. Muolo (appointed 26 July 2022)
A. Dogliani (resigned 26 July 2022)
E. Mambelli (resigned 26 July 2022)
A. Mussari (appointed 26 July 2022, resigned 31 December 2022)
D. A. Rolfe (appointed 29 September 2020)

FINANCIAL RISK MANAGEMENT

The company's aim is to ensure that the use of financial instruments does not increase the risks inherent in the company's operations. Policies are in place to minimise the risks that counterparties to financial instruments do not perform their contractual commitments, that the company might be unable to meet its contractual obligations, and that cash flows resulting from financial instruments might differ from those expected.

Liquidity

Liquidity risk is the risk that the company will have difficulty settling its liabilities as they fall due. This risk is managed by monitoring cash generation and collection in all the company's subsidiary companies and maintaining appropriate facilities through its parent which provide borrowing capacity well in excess of anticipated operational requirements.

Cash Flow/interest rate risk

Cash flow risk is the risk of exposure to variability in future cash flows relating to recognised assets or liabilities, such as variable interest rates on borrowings primarily due to loans with fellow group companies.

FUTURE DEVELOPMENTS

The directors are committed to providing an excellent level of service on the Ergea UKI Ltd contracts and to exploring ways of enhancing and expanding that contract.

The directors continue to seek opportunities for further investments.

POST YEAR END EVENTS

No adjusting or significant non-adjusting events have occurred between the 31 December reporting date and the date of authorisation.

The financial statements have been prepared based upon conditions existing at 31 December 2022 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period.

ERGEA UK AND IRELAND HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

GOING CONCERN

As an intermediary holding company, the Company's assessment has been made with reference to the performance of the investments it holds in Ergea UK and Ireland Ltd ("Ergea UKI"), from which it receives dividend income. Therefore the assessment below focuses on the Director's review of the expected performance of that business and the extent to which the Company is dependent on parental support.

In preparation for the financial report and accounts, the Directors are required to make an assessment of the business to determine if adopting a going concern basis in the accounts is appropriate.

The directors have conducted a business review and have a reasonable expectation that Ergea UKI have adequate resources to continue in operational existence having taken into account all the information about the future up to December 2024, which is more than 12 months from the date of approval of these financial statements. A material proportion of the Ergea UKI business comes from the NHS (backed by UK Government), and from long-term contracts providing certainty of income beyond the Going Concern assessment period. The Directors have assessed the political, economic, social and technology risks and believe Ergea UKI is well placed to successfully manage these risks.

The directors have also received confirmation from Ergéa Group S.à.r.l. that it has the ability to provide support and will provide support to assist in meeting the Ergea Group UK and its subsidiaries liabilities as and when they fall due for a period to at least 12 months from the date of approval of these financial statements. Additionally, Ergéa Group S.à.r.l. will only require the reimbursement of existing intercompany loans only if the Company had the necessary financial resources to do so.

Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been 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.

AUDITORS

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 28 September 2023 and signed on its behalf.



D. A. Rolfe
Director

ERGEA UK AND IRELAND HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable United Kingdom 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS101"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance;
- in respect of the group financial statements, state whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- in respect of the parent company financial statements, state whether applicable UK Accounting Standards, including FRS 101, 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 to 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.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report, that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ERGEA UK AND IRELAND HOLDINGS LIMITED

OPINION

We have audited the financial statements of Ergea UK and Ireland Holdings Limited (formerly known as Althea UK and Ireland Holdings Limited) (the 'Company') for the year ended 31 December 2022, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 18, 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 Standards 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the company's affairs as at 31 December 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.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ERGEA UK AND IRELAND HOLDINGS LIMITED (CONTINUED)

OTHER INFORMATION

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ERGEA UK AND IRELAND HOLDINGS LIMITED (CONTINUED)

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement set out on page 7, 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.

EXPLANATION AS TO WHAT EXTENT THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those related to the reporting framework (FRS 101 and the Companies Act 2006), and the relevant tax compliance regulations in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including health and safety and GDPR.
- We understood how Ergea UK and Ireland Holdings Limited is complying with those frameworks by making enquiries of management and those charged with governance to understand how the Company maintains and communicates its policies and procedures in these areas, and to understand the culture and whether there is a strong emphasis placed on fraud prevention, which may reduce opportunities for fraud to take place as well as fraud deterrence. We corroborated our enquiries through our review of board minutes
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud. We considered the programmes and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. To address our fraud risk of management override of controls, given the limited number of transactions in the year, we substantively tested all material journal entries from the entire population of journals. For each journal selected, we traced specific transactions back to source documentation to confirm that the journals were authorised and accounted for appropriately. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.

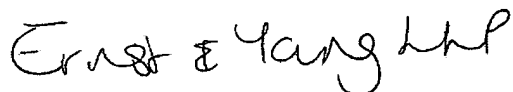
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ERGEA UK AND IRELAND HOLDINGS LIMITED
(CONTINUED)**

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures had a focus on compliance with the accounting framework through obtaining sufficient audit evidence in line with the level of risk identified and with relevant legislation. This also included a review of the Board minutes to identify any non-compliance with laws and regulations and enquiries of management and those charged with governance.

A further description of our responsibilities for the audit of the financial statements is located 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.



Kate Allen (Senior statutory auditor)

for and on behalf of
Ernst & Young LLP, Statutory Auditor
Reading
29 September 2022

ERGEA UK AND IRELAND HOLDINGS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

| | Note | 2022 £ | 2021 £ |
|--|------|-------------------|----------------|
| Administrative expenses | | (9,000) | (1,053) |
| OPERATING (LOSS) | | <u>(9,000)</u> | <u>(1,053)</u> |
| Dividend from investments | 6 | 17,000,000 | 2,000,000 |
| Interest receivable and similar income | 7 | 1,505,990 | 1,085,965 |
| Interest payable and expenses | 8 | (2,356,166) | (2,290,067) |
| PROFIT BEFORE TAX | | <u>16,140,824</u> | <u>794,845</u> |
| Tax on profit | 9 | - | - |
| PROFIT FOR THE FINANCIAL PERIOD | | <u>16,140,824</u> | <u>794,845</u> |
| Other comprehensive income net of tax | | - | - |
| TOTAL COMPREHENSIVE PROFIT FOR THE PERIOD | | <u>16,140,824</u> | <u>794,845</u> |

The above results were derived from continuing operations.

The notes on pages 15 to 27 form part of these financial statements.

ERGEA UK AND IRELAND HOLDINGS LIMITED

REGISTERED NUMBER: 09069539

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

| | Note | 2022 £ | 2021 £ |
|---|------|--------------------------|--------------------------|
| NON-CURRENT ASSETS | | | |
| Investments | 10 | 42,235,237 | 42,235,237 |
| Debtors due after more than 1 year | 11 | 33,655,800 | 16,551,540 |
| | | <u>75,891,037</u> | <u>58,786,777</u> |
| CURRENT ASSETS | | | |
| Debtors: amounts falling due within one year | 11 | 241,942 | 2,868,782 |
| | | <u>241,942</u> | <u>2,868,782</u> |
| CURRENT LIABILITIES | | | |
| Creditors: amounts falling due within one year | 12 | (679,501) | (797,165) |
| NET CURRENT ASSETS | | <u>(437,559)</u> | <u>2,071,617</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>75,453,478</u> | <u>60,858,394</u> |
| NON-CURRENT LIABILITIES | | | |
| Creditors: amounts falling due after more than one year | 13 | (35,105,800) | (36,651,540) |
| NET ASSETS | | <u><u>40,347,678</u></u> | <u><u>24,206,854</u></u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 14 | 22,356,823 | 22,356,823 |
| Profit and loss account | | 17,990,855 | 1,850,031 |
| | | <u><u>40,347,678</u></u> | <u><u>24,206,854</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 September 2023 .



D. A. Rolfe
Director

The notes on pages 15 to 27 form part of these financial statements.

ERGEA UK AND IRELAND HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

| | Called up share capital | Profit and loss account | Total equity |
|---|----------------------------|----------------------------|-------------------|
| | £ | £ | £ |
| At 1 January 2021 | 22,356,823 | 1,055,186 | 23,412,009 |
| COMPREHENSIVE INCOME FOR THE YEAR | | | |
| Profit for the year | - | 794,845 | 794,845 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | - | 794,845 | 794,845 |
| At 1 January 2022 | 22,356,823 | 1,850,031 | 24,206,854 |
| COMPREHENSIVE INCOME FOR THE YEAR | | | |
| Profit for the year | - | 16,140,824 | 16,140,824 |
| OTHER COMPREHENSIVE INCOME FOR THE YEAR | - | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | - | 16,140,824 | 16,140,824 |
| AT 31 DECEMBER 2022 | <u>22,356,823</u> | <u>17,990,855</u> | <u>40,347,678</u> |

The notes on pages 15 to 27 form part of these financial statements.

ERGEA UK AND IRELAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. GENERAL INFORMATION

The publication of the financial statements of Ergea UK and Ireland Holdings Limited for the year ended 31 December 2022 was authorised by the Board of Directors on 28 September 2023 .

Ergea UK and Ireland Holdings Limited is a limited company incorporated and domiciled in England. The Registered Office is Unit 4, Theale Commercial Estate, Ely Road, Theale, Berkshire RG7 4BQ.

The principal activity of the company, which is non-trading, is an investment holding company.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2022.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The Company's functional and presentational currency is GBP.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

ERGEA UK AND IRELAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.2 FINANCIAL REPORTING STANDARD 101 - REDUCED DISCLOSURE EXEMPTIONS

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

2.3 GOING CONCERN

As an intermediary holding company, the Company's assessment has been made with reference to the performance of the investments it holds in Ergea UK and Ireland Ltd ("Ergea UKI"), from which it receives dividend income. Therefore the assessment below focuses on the Director's review of the expected performance of that business and the extent to which the Company is dependent on parental support.

In preparation for the annual report and accounts, the Directors are required to make an assessment of the business to determine if adopting a going concern basis in the accounts is appropriate.

The Directors have conducted a business review and have a reasonable expectation that Ergea UKI have adequate resources to continue in operational existence having taken into account all the information about the future up to and including 31 December 2024, which is more than 12 months from the date of approval of these financial statements. A material proportion of the Ergea UKI business comes from the NHS (backed by UK Government), and from long-term contracts providing certainty of income beyond the Going Concern assessment period. The Directors have assessed the political, economic, social and technology risks and believe Ergea UKI is well placed to successfully manage these risks.

The directors have also received confirmation from Ergéa Group S.à.r.l. that it has the ability to provide support and will provide support to assist in meeting the Ergea Group UK and its subsidiaries liabilities as and when they fall due for a period to at least 12 months from the date of approval of these financial statements. Additionally, Ergéa Group S.à.r.l. will only require the reimbursement of existing intercompany loans only if the Company had the necessary financial resources to do so.

Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

ERGEA UK AND IRELAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2.4 EXEMPTION FROM PREPARING CONSOLIDATED FINANCIAL STATEMENTS

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

The group consolidation Company is Ergéa Group S.à.r.l., these financial statements may be obtained from Unit 4, Ely Road, Theale, Berkshire, RG7 4BQ.

2.5 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

The company assesses at each reporting date whether an asset may be impaired. If any such indication exists, the company estimates recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the company estimates, the recoverable amount of the cash generating unit to which the asset belongs. The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through an impairment in profit and loss unless the asset is carried at a revalued amount where the impairment loss of a revalued asset is a revaluation decrease.

An impairment loss recognised for all assets is reversed in a subsequent period if and only if the reasons for the impairment loss have ceased to apply.

2.7 FINANCIAL INSTRUMENTS

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans from related parties. All interest bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the bank (including interest). After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment.

ERGEA UK AND IRELAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.7 FINANCIAL INSTRUMENTS (continued)

The effective interest rate amortisation is included in finance revenue in the income statement. Transaction costs directly attributable to the financing arrangement are capitalised against the loan and amortised over the term of the loan.

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.

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.

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.

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Impairment of financial assets

The Company always recognises lifetime Estimated Credit Loss (ECL) for intercompany receivables. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

ERGEA UK AND IRELAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.7 FINANCIAL INSTRUMENTS (continued)

Financial liabilities

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

2.8 FOREIGN CURRENCY TRANSLATION

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

2.9 FINANCE COSTS

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.10 DIVIDEND INCOME

Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established.

2.11 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

ERGEA UK AND IRELAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.12 TAXATION

Tax is recognised in profit or loss 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 reporting date in the countries where the Company operates and generates income.

The Company is a member of a tax group for certain aspects of the tax legislation. One of these aspects relates to group relief whereby current tax liabilities can be offset by current tax losses arising in other companies within the same tax group. Payment for group relief is not made.

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgments (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Taxation

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authority. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Investment Impairment

Determining whether the Company's investment in the subsidiary has been impaired required estimates of the investments value in use. The value in use calculations require the Company to estimate the returns that will arise from the investment by direct reference to historic profitability and then forming an assessment of the expected future growth.

ERGEA UK AND IRELAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. AUDITORS' REMUNERATION

| | 2022 £ | 2021 £ |
|---|--------------|--------------|
| Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts | 5,000 | 4,000 |
| | <u>5,000</u> | <u>4,000</u> |

5. EMPLOYEES

The Company has no employees other than the directors, who did not receive any remuneration (2021 - £nil).

The director's emoluments amounted to £nil (2021 - £nil) during the period. There were no pension contributions (2021 - £nil) paid on behalf of the director during the period.

The directors of the company are also directors of other companies within the Ergea Group. The directors services to the company do not occupy a significant amount of time. As such, the directors does not consider that they have received any remuneration for the incidental services to the company for the periods ended December 2022 and December 2021.

6. INCOME FROM INVESTMENTS

| | 2022 £ | 2021 £ |
|---|-------------------|------------------|
| Dividends received from subsidiary undertakings | 17,000,000 | 2,000,000 |
| | <u>17,000,000</u> | <u>2,000,000</u> |

Dividend received from Ergea UK and Ireland Ltd.

ERGEA UK AND IRELAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

7. INTEREST RECEIVABLE AND SIMILAR INCOME

| | 2022 £ | 2021 £ |
|--|------------------|------------------|
| Interest receivable from group companies | 1,505,990 | 1,085,965 |
| | <u>1,505,990</u> | <u>1,085,965</u> |

Interest receivable from group companies includes:

Interest from Ergea (Whittington) Ltd £360,808 (2021 - £343,465) comprising of two loans:

- (a) £75,442 (2021 - £108,219) which bears interest at 7.75% pa and is repayable by instalments by March 2025; and
- (b) £285,366 (2021 - £235,246) which bears interest at 15.23% pa and is repayable by instalments by March 2026.

Interest from Ergea UK and Ireland Ltd comprising of:

- (a) £419,056 (2021 - £742,500) loan note which bears interest at 4.95% p.a. and was repaid in July 2022.
- (b) £726,126 (2021 - nil) bearing 2022 loan interest of libor +2.5% to 2.75% p.a. with a maturity of July 2032.

8. INTEREST PAYABLE AND SIMILAR EXPENSES

| | 2022 £ | 2021 £ |
|--|------------------|------------------|
| Interest payable to group undertakings | 2,356,166 | 2,290,067 |
| | <u>2,356,166</u> | <u>2,290,067</u> |

Interest payable to group companies includes:

Interest to Ergea UK and Ireland Ltd £360,808 (2021 - £343,465) comprising of two loans:

- (a) £75,442 (2021 - £108,219) which bears interest at 7.75% pa and is repayable by instalments by March 2025; and
- (b) £285,366 (2021 - £235,246) which bears interest at 15.23% pa and is repayable by instalments by March 2026.

Interest to Althea Group S.p.A. £1,220,310 (2021 - £1,946,602) bearing interest between 5.7% and 6.9% during the year to December 2022 (2021: between 5.22% and 5.29%). The loan was repaid in July 2022.

Interest to Ergea Group UK Ltd £775,048 (2021 - nil) bearing 2022 loan interest of libor +2.5% to 2.75% p.a. with a maturity of July 2032.

ERGEA UK AND IRELAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

9. TAXATION

| | 2022 £ | 2021 £ |
|-------------------------------------|-----------|-----------|
| CORPORATION TAX | | |
| Current tax on profits for the year | - | - |
| | - | - |
| TOTAL CURRENT TAX | - | - |

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is the same as (2021 - the same as) the standard rate of corporation tax in the UK of 19% (2021 - 19%) as set out below:

| | 2022 £ | 2021 £ |
|--|-------------------|----------------|
| Profit on ordinary activities before tax | <u>16,140,824</u> | <u>794,845</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%) | 3,066,757 | 151,021 |
| EFFECTS OF: | | |
| Dividends from subsidiary | (3,230,000) | (380,000) |
| Group relief | 163,243 | 228,979 |
| TOTAL TAX CHARGE FOR THE YEAR | - | - |

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no circumstances requiring the recognition of deferred tax.

ERGEA UK AND IRELAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. FIXED ASSET INVESTMENTS

| | Investments in subsidiary companies £ |
|--------------------------|--|
| COST OR VALUATION | |
| At 1 January 2022 | 42,235,237 |
| At 31 December 2022 | <u>42,235,237</u> |

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

| Name | Registered office | Holding |
|---|-------------------|---------|
| Ergea UK and Ireland Limited | England and Wales | 100% |
| Ergea Holdings (MES) Ltd | England and Wales | 100% |
| Ergea (Managed Healthcare) Ltd | England and Wales | 100% |
| Ergea (Whittington) Limited | England and Wales | 100% |
| Ergea (Leicester 2) Limited | England and Wales | 100% |
| TBS G.B. Telematic & Biomedical Services Limited* | England and Wales | 100% |

Company marked * was dormant during 2022 and dissolved on 24 January 2023.

The registered address of the above subsidiaries is as follows:

Unit 4 Theale Commercial Estate, Ely Road, Theale, Berkshire, UK, RG7 4BQ

with the exception of TBS G.B. Telematic & Biomedical Services Limited whose registered address is Central House, 8 Clifftown Road, Southend On Sea, SS1 1AB

The principal activity for all the above subsidiaries is the provision of services and equipment within the healthcare sector and all are located in the UK.

The Directors consider that the value of the investments are supported by the underlying assets and the expected performance of the subsidiaries and have concluded that there is no indicators of impairment.

ERGEA UK AND IRELAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

11. DEBTORS

| | 2022 £ | 2021 £ |
|-------------------------------------|-------------------|-------------------|
| DUE AFTER MORE THAN ONE YEAR | | |
| Amounts owed by group undertakings | 33,655,800 | 16,551,540 |
| | <u>33,655,800</u> | <u>16,551,540</u> |

Due from Ergea (Whittington) Ltd £1,655,800 (31 December 2021 : £1,549,770) comprising of two loans:
(a) £735,827 (31 December 2021: £845,816) which bears interest at 7.75% p.a. and is repayable by instalments by March 2025; and
(b) £919,973 (31 December 2021: £705,724) which bears interest at 15.23% p.a. and is repayable by instalments by March 2026.

Due to Ergea UK and Ireland Ltd £32,000,000 (31 December 2021: £15,000,000) loan which bears interest in the range $\text{libor} + 2.5\%$ rising to $\text{libor} + 3.5\%$ from July 2023 and matures in July 2032.

| | 2022 £ | 2021 £ |
|------------------------------------|----------------|------------------|
| DUE WITHIN ONE YEAR | | |
| Amounts owed by group undertakings | 241,941 | 2,868,781 |
| Other debtors | 1 | 1 |
| | <u>241,942</u> | <u>2,868,782</u> |

Due from Ergea (Whittington) Ltd £241,941 (31 December 2021: £324,778) comprising of two loans:
(a) £193,553 (31 December 2021: £259,823) which bears interest at 7.75% p.a. and is repayable by instalments by March 2025; and
(b) £48,388 (31 December 2021: £64,955) which bears interest at 15.23% p.a. and is repayable by instalments by March 2026.

Other amounts are unsecured, repayable on demand and not interest-bearing.

ERGEA UK AND IRELAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

12. CREDITORS: Amounts falling due within one year

| | 2022 £ | 2021 £ |
|------------------------------------|----------------|----------------|
| Amounts owed to group undertakings | 670,501 | 788,515 |
| Accruals and deferred income | 9,000 | 8,650 |
| | <u>679,501</u> | <u>797,165</u> |

Due to Ergea UK and Ireland Ltd £241,941 (31 December 2021: £324,778) comprising of two loans:

(a) £193,553 (31 December 2021: £259,823) which bears interest at 7.75% p.a. and is repayable by instalments by March 2025; and

(b) £48,388 (31 December 2021: £64,955) which bears interest at 15.23% p.a. and is repayable by instalments by March 2026.

13. CREDITORS: Amounts falling due after more than one year

| | 2022 £ | 2021 £ |
|------------------------------------|-------------------|-------------------|
| Amounts owed to group undertakings | 35,105,800 | 36,651,540 |
| | <u>35,105,800</u> | <u>36,651,540</u> |

Due to Ergea UK and Ireland Ltd £1,655,800 (31 December 2021 : £1,551,540) comprising of two loans:

(a) £735,827 (31 December 2021 : £845,816) which bears interest at 7.75% p.a. and is repayable by instalments by March 2025; and

(b) £919,973 (31 December 2021: £705,724) which bears interest at 15.23% p.a. and is repayable by instalments by March 2026.

Due to Ergea Group UK Ltd £33,450,000 (31 December 2021 – nil) loan which bears interest in the range libor +2.5% rising to libor+3.5% from July 2023 and matures in July 2032.

The Althea Group S.p.A. loan note was repaid July 2022 (31 December 2021: £35,100,000 bearing interest between 5.26% and 5.29%).

ERGEA UK AND IRELAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

14. SHARE CAPITAL

| | 2022 £ | 2021 £ |
|---|-------------------|-------------------|
| Allotted, called up and fully paid | | |
| 22,356,823 (2021 - 22,356,823) ZA shares of £1 each | <u>22,356,823</u> | <u>22,356,823</u> |

15. OTHER FINANCIAL COMMITMENTS

Guarantees

The Company has provided the following guarantees at 31 December 2022:

Guarantee to three customers for the performance in a contract by the Ergea UK and Ireland Group.

No liability is expected to arise in respect to either of the above.

16. RELATED PARTY TRANSACTIONS

As the company is a wholly owned subsidiary undertaking of Ergéa Group S.à.r.l., which prepares publicly available group financial statements, the company has pursuant to IAS 24 Related Party Disclosures not included details of transactions with other companies which are wholly owned subsidiaries of Ergéa Group S.à.r.l. There are no other related party transactions requiring disclosure.

17. CONTROLLING PARTY

The immediate parent company is Ergea Group UK Limited, and the ultimate parent company is Pan-European Infrastructure III SCSp ("PEIF III SCSp"), an investment fund managed by Ergéa Group S.à.r.l. (formerly named Pan-European Infrastructure III GP S.à.r.l. ("PEIF III GP S.à.r.l."), a limited liability company incorporated under the laws of the Grand Duchy of Luxembourg. The parent companies of the smallest and largest groups of which the company is a member and for which group financial statements are prepared is Ergéa Group S.à.r.l. Copies of these group financial statements are available from Ergéa Group S.à.r.l.

18. EVENTS AFTER THE REPORTING PERIOD

No adjusting or significant non-adjusting events have occurred between the 31 December reporting date and the date of authorisation.

The financial statements have been prepared based upon conditions existing at 31 December 2022 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period.