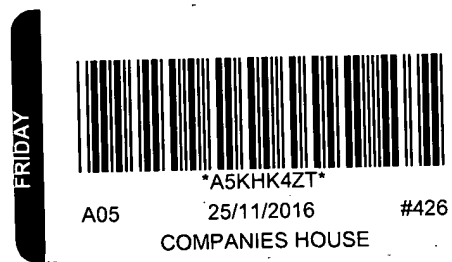


Registered number 09458917

**GBUK Group Limited (formerly Hamsard 3369 Limited)**  
**Report and consolidated financial statements**  
**for the period ended 30 June 2016**



# GBUK Group Limited

## Report and consolidated financial statements for the period ended 30 June 2016

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# **GBUK Group Limited**

## **Directors and advisers**

### **Directors**

M C Thompson  
M R Garbett  
P V J Spiller  
I Shams  
P H L Kalverboer  
G R R Dew  
G R Mills  
M E Root  
J S Adcock

### **Secretary**

M R Garbett

### **Registered Office**

Woodland House  
Blackwood Hall Business Park  
Selby  
North Yorkshire  
YO8 5DD

### **Independent Auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Central Square  
29 Wellington Street  
Leeds  
LS1 4DL

### **Bankers**

Clydesdale Bank Plc (trading as Yorkshire Bank)  
94-96 Briggate  
Leeds  
LS1 6NP

### **Registered Number**

09458917

# **GBUK Group Limited**

## **Strategic report for the period ended 30 June 2016**

The directors present their strategic report on the group for the period from 25 February 2015 to 30 June 2016.

### **Review of the business**

The principal activity of the company during the period was to act as the holding company of the group, which is engaged in the supply of medical devices and consumables.

The company was incorporated on 25 February 2015 and on 13 November 2015 acquired 100% of the share capital of GBUK Limited, GBUK Enteral Limited and Enteral UK Limited (dormant), limited liability companies incorporated in the United Kingdom.

GBUK group is the leading specialist provider of enteral, critical care and patient handling single-use products and services in the UK and Europe. GBUK focuses on meeting customer demands with market leading products coupled with ongoing customer engagement.

The group is targeting continued sales and profit growth in the coming years by continuing to focus on market share gains and new products development to meet clinical needs.

### **Key performance indicators**

In the short term, the group considers growth in sales as the key financial performance indicators, which are monitored and reviewed by the Board on a monthly basis.

The period from the acquisition of GBUK Ltd, GBUK Enteral Ltd and Enteral UK Limited on 13 November 2015 to 30 June 2016 was the first trading period for the consolidated group. Therefore, the directors view of the performance of the group to the 30 June 2016, is based on the full year performance of the consolidated group. In combination, the two companies increased sales over the prior year by 12.6% to £22.1 million for the year ended 30 June 2016.

### **Principal risks and uncertainties**

The group operates in a competitive environment, but has successfully delivered year on year growth by ensuring strong and effective procurement to enable the supply of competitively priced products.

The key customer for the group is the NHS and an experienced and clinically trained sales team, compliment the group's broad product portfolio by providing a high level of customer service.

The group benefits from a strong long term supplier and customer relationships, so the principal risk and uncertainty for the group is the foreign exchange risk on the supply of products from overseas, primarily with respect to the Euro and US Dollar.

The group takes proactive measures to manage this risk, including the use of forward exchange contracts to hedge against exposure risk on trade payables and a monthly review of group exposure by the directors. The directors accept that this does not fully eliminate exchange rate risk associated with a devaluation of Sterling, but considers that they achieve an appropriate balance of exposure to these risks.

# **GBUK Group Limited**

## **Strategic report for the period ended 30 June 2016 (continued)**

### **Principal risks and uncertainties (continued)**

The risk and this uncertainty increased on the 23 June 2016 with the UK decision to leave the EU. As a consequence, the directors increased their focus, considered the company's current and forecast profitability and implemented actions aimed at mitigating the impact. As a result of these actions the directors are confident about the group's ongoing success.

### **Future developments**

The group intends to continue to drive growth to meet the strategic objectives of the business set by the Board of the group through continued delivery of its market leading products and customer service.

GBUK Group Limited completed its first acquisition on the 12 September 2016, which further added to the group's products portfolio as well as expanding its customer base.

Operational capability is being complimented with an upgrade to the groups ERP system and the addition of a new warehouse management system.

This report was approved by the board on 23<sup>rd</sup> NOVEMBER 2016 and signed on its behalf by:



**Director** MARK THOMPSON

# **GBUK Group Limited**

## **Directors' report for the period ended 30 June 2016**

The directors are pleased to present their report and audited consolidated financial statements of the company and its group for the period from 25 February 2015 to 30 June 2016.

The company was incorporated as Hamsard 3369 Limited on 25 February 2015, but did not trade until 13 November 2015. On this date the company name was changed to GBUK Group Limited and it was used as a new holding company and parent company to acquire 100% of the share capital of related trading entities GBUK Limited, GBUK Enteral Limited and Enteral UK Limited.

### **General information**

The general information on the company and its group is provided in the strategic report. The directors do not recommend the payment of a dividend in the current period.

### **Results and dividends**

The results of the group are shown in the consolidated statement of comprehensive income on page 10.

### **Future developments**

The future developments of the company and group have been discussed within the Strategic Report.

### **Directors**

The directors who held office during the period and up to the date of signing these financial statements, unless otherwise indicated, are:

M C Thompson (appointed 13 November 2015)  
M R Garbett (appointed 1 February 2016)  
P V J Spiller (appointed 13 November 2015)  
I Shams (appointed 12 September 2016)  
P H L Kalverboer (appointed 21 October 2015)  
G R R Dew (appointed 13 November 2015)  
G R Mills (appointed 13 November 2015)  
M E Root (appointed 12 September 2016)  
J S Adcock (appointed 13 November 2015)  
R C Wetherill (appointed 13 November 2015, resigned 27 April 2016)  
J E Wilkinson (appointed 13 November 2015, resigned 31 August 2016)  
P M Crossley (appointed 25 February 2015, resigned 21 October 2015)  
Squire Patton Boggs Directors Limited (appointed 25 February 2015, resigned 21 October 2015)

### **Going concern**

In determining the going concern of the company the directors have considered the company's current and forecast profitability required to operate for a period of no less than 12 months from the date of signing these financial statements. The directors are confident about the strong sales growth forecast for the group and as such, these financial statements have been prepared on the going concern basis.

### **Financial risk management**

The company's financial risk management objectives and policies are discussed in note 4.

# **GBUK Group Limited**

## **Directors' report for the period ended 30 June 2016 (continued)**

### **Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the group and parent company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 group and the company and of the profit or loss of the group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union 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 the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Indemnity**

Relevant officers of the Company may be indemnified out of the Company's assets against:

- any liability incurred by that officer in connection with any negligence, default, breach of duty or breach of trust in relation to the Company;
- any liability incurred by that officer in connection with the activities of the Company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) Companies Act 2006); or
- any other liability incurred by that officer as an officer of the Company.

No indemnity is authorised which would be prohibited or rendered void by any provision of Companies Act 2006 or by any other provision of law.

### **Statement of disclosure of information to auditors**

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

# **GBUK Group Limited**

## **Directors' report for the period ended 30 June 2016 (continued)**

### **Independent Auditors**

PricewaterhouseCoopers LLP were appointed as auditor of the company on 14 April 2016 and will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

This report was approved by the Board on *23<sup>rd</sup> November* 2016 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'M. Garbett', is written over the printed name of the Company Secretary.

**Company Secretary** *MARTIN GARBETT*



# **GBUK Group Limited**

## **Independent auditor's report to the members of GBUK Group Limited**

### **Report on the financial statements**

#### **Our opinion**

In our opinion:

- GBUK Group Limited's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2016 and of the group's loss and the group's and the parent company's cash flows for the sixteen month period (the "period") then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

#### **What we have audited**

The financial statements, included within the Report and consolidated financial statements (the "Annual Report"), comprise:

- the consolidated and company statement of financial position as at 30 June 2016;
- the consolidated statement of comprehensive income for the period then ended;
- the consolidated and company statement of cash flows for the period then ended;
- the consolidated and company statement of changes in equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006, and applicable law.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

# **GBUK Group Limited**

## **Independent auditor's report to the members of GBUK Group Limited (continued)**

### **Other matters on which we are required to report by exception**

#### **Adequacy of accounting records and information and explanations received**

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

#### **Our responsibilities and those of the directors**

As explained more fully in the Statement of Directors' responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the parent 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.

#### **What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.


## **GBUK Group Limited**

### **Independent auditor's report to the members of GBUK Group Limited (continued)**

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers LLP', is written over the printed name of the auditor.

Ian Plunkett FCA (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Leeds

23 November 2016

# GBUK Group Limited

## Consolidated statement of comprehensive income for the period ended 30 June 2016

|   |      | Period from<br>25 February<br>2015 to 30<br>June 2016 |
|---|------|---|
|   | Note | £'000   |
| <b>Continuing operations</b>  |      |   |
| Revenue   | 5    | 14,103  |
| Cost of sales   | 6    | (8,049)   |
| <b>Gross profit</b>   |      | 6,054   |
| Selling and Distribution expenses   | 6    | (1,677)   |
| Administrative expenses   | 6    | (2,052)   |
| <b>Operating profit before depreciation, amortisation and management fees</b> |      | 2,325   |
| Management Fees   | 6    | (166)   |
| Depreciation and amortisation   | 6    | (1,958)   |
| Exceptional items   | 10   | (1,292)   |
| <b>Operating loss before interest and income tax</b>                          |      | (1,091)   |
| Finance income  | 11   | 2   |
| Finance costs   | 11   | (1,525)   |
| Finance costs – net   | 11   | (1,523)   |
| <b>Loss before income tax</b>   |      | (2,614)   |
| Income tax credit   | 12   | 794   |
| <b>Loss for the financial period</b>  |      | (1,820)   |
| <b>Other comprehensive income:</b>  |      |   |
| <b>Items that may be subsequently reclassified to profit or loss</b>          |      |   |
| Cash flow hedges  | 23   | 193   |
| Income tax effect   |      | (39)  |
| <b>Other comprehensive income for the period, net of tax</b>                  |      | 154   |
| <b>Total comprehensive loss for the period, net of tax</b>                    |      | (1,666)   |

## **GBUK Group Limited**

### **Consolidated statement of comprehensive income for the period ended 30 June 2016 (continued)**

Although the Group was incorporated on 25 February 2015, it did not begin trading until it acquired two trading subsidiary companies; GBUK Limited and GBUK Enteral Limited, on 13 November 2015. GBUK Limited and GBUK Enteral Limited are limited liability companies incorporated in the United Kingdom.

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent company's loss for the financial period was £2,879,000.

The notes on pages 17 to 45 are an integral part of these consolidated financial statements.

# GBUK Group Limited

## Consolidated and company statement of financial position as at 30 June 2016

Registered number 09458917

|                                 |      | Group<br>2016<br>£'000 | Company<br>2016<br>£'000 |
|---------------------------------|------|------------------------|--------------------------|
|                                 | Note |                        |                          |
| <b>Assets</b>                   |      |                        |                          |
| <b>Non-current assets</b>       |      |                        |                          |
| Property, plant and equipment   | 13   | 832                    | -                        |
| Intangible assets               | 14   | 21,675                 | -                        |
| Investments                     | 15   | -                      | 25,644                   |
| Deferred income tax assets      | 24   | 92                     | -                        |
| <b>Total non-current assets</b> |      | <b>22,599</b>          | <b>25,644</b>            |
| <b>Current assets</b>           |      |                        |                          |
| Inventories                     | 17   | 3,524                  | -                        |
| Trade and other receivables     | 18   | 1,745                  | -                        |
| Cash and cash equivalents       | 19   | 2,946                  | 136                      |
| <b>Total current assets</b>     |      | <b>8,215</b>           | <b>136</b>               |
| <b>Total assets</b>             |      | <b>30,814</b>          | <b>25,780</b>            |


# GBUK Group Limited

## Consolidated and company statement of financial position as at 30 June 2016 (continued)

Registered number 09458917

|  |      | Group          | Company        |
|--|------|----------------|----------------|
|  |      | 2016           | 2016           |
|  | Note | £'000          | £'000          |
| <b>Equity and liabilities</b>                        |      |                |                |
| <b>Attributable to equity holders of the company</b> |      |                |                |
| Share capital  | 20   | 3              | 3              |
| Share premium  | 20   | 297            | 297            |
| Hedging reserve                                      | 23   | 154            | -              |
| Retained earnings                                    |      | (1,820)        | (2,879)        |
| <b>Total equity</b>                                  |      | <b>(1,366)</b> | <b>(2,579)</b> |
| <b>Liabilities</b>                                   |      |                |                |
| <b>Non-current liabilities</b>                       |      |                |                |
| Borrowings   | 22   | 23,921         | 23,921         |
| Derivative financial liabilities                     | 23   | -              | -              |
| Deferred consideration                               |      | 471            | 471            |
| Deferred income tax liabilities                      | 24   | 2,264          | -              |
| <b>Total non-current liabilities</b>                 |      | <b>26,656</b>  | <b>24,392</b>  |
| <b>Current liabilities</b>                           |      |                |                |
| Borrowings   | 22   | 1,000          | 1,000          |
| Deferred consideration                               |      | 738            | 738            |
| Trade and other payables                             | 21   | 3,766          | 2,229          |
| Current income tax liabilities                       |      | 20             | -              |
| <b>Total current liabilities</b>                     |      | <b>5,524</b>   | <b>3,967</b>   |
| <b>Total liabilities</b>                             |      | <b>32,180</b>  | <b>28,359</b>  |
| <b>Total equity and liabilities</b>                  |      | <b>30,814</b>  | <b>25,780</b>  |

The financial statements were authorised for issue by the Board of Directors on 23<sup>rd</sup> November 2016 and were signed on its behalf by:

  
**Company Secretary** MARTIN GARBETT

The notes on pages 17 to 45 are an integral part of these consolidated financial statements.

# GBUK Group Limited

## Consolidated and company statement of changes in equity for the period ended 30 June 2016

|                                 | Share capital | Share premium | Retained earnings | Hedge reserve | Total equity   |
|---------------------------------|---------------|---------------|-------------------|---------------|----------------|
| Group                           | £'000         | £'000         | £'000             | £'000         | £'000          |
| On incorporation                | -             | -             | -                 | -             | -              |
| Proceeds from issued shares     | 3             | 297           | -                 | -             | 300            |
| Loss for the financial period   | -             | -             | (1,820)           | -             | (1,820)        |
| Other comprehensive income      | -             | -             | -                 | 154           | 154            |
| <b>Total comprehensive loss</b> | -             | -             | <b>(1,820)</b>    | <b>154</b>    | <b>(1,666)</b> |
| <b>Balance at 30 June 2016</b>  | <b>3</b>      | <b>297</b>    | <b>(1,820)</b>    | <b>154</b>    | <b>(1,366)</b> |

|                                 | Share capital | Share premium | Retained earnings | Hedge reserve | Total equity   |
|---------------------------------|---------------|---------------|-------------------|---------------|----------------|
| Company                         | £'000         | £'000         | £'000             | £'000         | £'000          |
| On incorporation                | -             | -             | -                 | -             | -              |
| Proceeds from issued shares     | 3             | 297           | -                 | -             | 300            |
| Loss for the financial period   | -             | -             | (2,879)           | -             | (2,879)        |
| Other comprehensive income      | -             | -             | -                 | -             | -              |
| <b>Total comprehensive loss</b> | -             | -             | <b>(2,879)</b>    | -             | <b>(2,879)</b> |
| <b>Balance at 30 June 2016</b>  | <b>3</b>      | <b>297</b>    | <b>(2,879)</b>    | -             | <b>(2,579)</b> |

The notes on pages 17 to 45 are an integral part of these consolidated financial statements.



# GBUK Group Limited

## Consolidated and company statement of cash flows for the period ended 30 June 2016

|  | Note | Group<br>£'000 | Company<br>£'000 |
|--|------|----------------|------------------|
| <b>Cash flows from operating activities</b>              |      |                |                  |
| Cash generated from operations                           | 25   | (1,438)        | (1,958)          |
| Interest paid  |      | (571)          | (479)            |
| Income tax paid  |      | (261)          | -                |
| Net cash generated from / (used in) operating activities |      | (2,270)        | (2,437)          |
| <b>Cash flows from investing activities</b>              |      |                |                  |
| Acquisition of subsidiaries                              | 28   | (20,966)       | (23,824)         |
| Purchase of property, plant and equipment                | 13   | (187)          | -                |
| Proceeds from sales of property, plant and equipment     |      | 11             | -                |
| Purchase of intangible assets                            | 14   | (41)           | -                |
| Interest received  |      | 2              | -                |
| Net cash (used in) / generated from investing activities |      | (21,181)       | (23,824)         |
| <b>Cash flows from financing activities</b>              |      |                |                  |
| Proceeds from issuance of ordinary share capital         | 20   | 300            | 300              |
| Proceeds from issuance of preference shares              | 22   | 12,891         | 12,891           |
| Deferred consideration introduced                        | 28   | 1,176          | 1,176            |
| Deferred consideration repaid                            | 28   | -              | -                |
| Proceeds from borrowings                                 | 22   | 12,530         | 12,530           |
| Repayment of borrowings                                  | 22   | (500)          | (500)            |
| Retained earnings  |      | -              | -                |
| Investments  |      | -              | -                |
| Net cash used in financing activities                    |      | 26,397         | 26,397           |

## GBUK Group Limited

### Consolidated and company statement of cash flows for the period ended 30 June 2016 (continued)

|   | Note | Group<br>£'000 | Company<br>£'000 |
|---|------|----------------|------------------|
| <b>Net increase in cash and cash equivalents</b>  |      | 2,946          | 136              |
| Cash and cash equivalents at beginning of period  |      | -              | -                |
| Exchange adjustments                              |      | -              | -                |
| <b>Cash and cash equivalents at end of period</b> | 19   | 2,946          | 136              |

The notes on pages 17 to 45 are an integral part of these consolidated financial statements.

# **GBUK Group Limited (formerly Hamsard 3369 Limited)**

## **Notes to the consolidated financial statements for the period ended 30 June 2016**

### **1 General information**

#### **General information**

The principal activity of the company during the period was to act as the holding company of its group, which during the period was principally engaged in the supply of medical devices.

The company was incorporated on 25 February 2015 and on 13 November 2015 acquired 100% of the share capital of GBUK Limited, GBUK Enteral Limited and Enteral UK Limited (dormant).

The company is domiciled in the United Kingdom. Its principal place of business is its registered office located at Woodland House, Blackwood Hall Business Park, Selby, North Yorkshire YO8 5DD.

### **2 Accounting policies**

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied during the period presented.

#### **Basis of preparation**

The consolidated financial statements of GBUK Group Limited have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations issued by the IFRS Interpretations Committee (collectively IFRS IC) as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention, modified by the valuation of financial derivatives.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

#### **Going concern**

In determining the going concern of the company the directors have considered the company's current and forecast profitability required to operate for a period of no less than 12 months from the date of signing these financial statements.

The directors are confident of meeting its future financial forecasts and its obligations as the group is profitable, cash generative and has prudent financing facilities. As such, these financial statements have been prepared on the going concern basis.

# **GBUK Group Limited (formerly Hamsard 3369 Limited)**

## **Notes to the consolidated financial statements for the period ended 30 June 2016**

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

#### **New and amended standards adopted by the group**

There are no new IFRSs or IFRIC interpretations that are effective for the first time for the financial period beginning on or after 1 July 2015 that have been adopted or would have a material impact on the group.

#### **Standards and interpretations in issue and not yet effective**

At the date of authorisation of these financial statements, the following standards and interpretations, which have not been applied to these consolidated financial statements, were in issue but not yet effective:

| <b>Standard</b>                               | <b>Issue date</b> | <b>Effective date</b> |
|---|-------------------|-----------------------|
| IFRS 9 Financial Instruments                  | October 2010      | 1 January 2018        |
| IFRS 15 Revenue from Contracts with Customers | May 2014          | 1 January 2018        |
| IFRS 16 Leases                                | January 2016      | 1 January 2019        |

A full impact of the above new IFRSs has not yet been assessed. Other new standards or amendments to existing standards not yet effective are considered as not relevant to the group.

#### **Consolidation**

Subsidiaries are all entities over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the group. The consolidated financial statements present the results of the company and its subsidiaries ('the group') applying consistent accounting policies and after the elimination of intercompany transactions and balances between group companies.

The company applies the acquisition method to account for business combinations. The cost of an acquisition is measured as the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill.

# **GBUK Group Limited (formerly Hamsard 3369 Limited)**

## **Notes to the consolidated financial statements for the period ended 30 June 2016**

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

#### **Revenue**

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods supplied, net of returns, discounts and rebates allowed by the group and value added taxes.

The company recognises revenue when the goods are physically delivered to the customer. Where payments are received from customers in advance of the goods being delivered, the amounts are included as part of current liabilities.

#### **Employee benefits**

The group operates various post-employment schemes, including pension contributions.

##### **(i) Defined contribution pension scheme**

The group operates a defined contribution scheme for its employees. A defined contribution scheme is a pension scheme under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the Statement of financial position. The assets of the scheme are held separately from the group in independently administered funds.

#### **Exceptional items**

Exceptional items are shown separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the group.

#### **Interest income**

Interest income is recognised using the effective interest method.

#### **Current and deferred income tax**

The tax charge for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the group's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

# **GBUK Group Limited (formerly Hamsard 3369 Limited)**

## **Notes to the consolidated financial statements for the period ended 30 June 2016**

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

#### **Current and deferred income tax (continued)**

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### **Foreign currency translation**

The consolidated financial statements are presented in pound sterling (£), which is the functional currency of the company and the presentation currency of the group. All amounts in these consolidated financial statements have been rounded to the nearest thousand, unless otherwise indicated.

Transactions in foreign currency are initially converted to sterling at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange prevailing at the reporting date. All differences on exchange are taken to the consolidated statement of comprehensive income.

The assets and liabilities of foreign operations are translated to sterling at foreign exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated into sterling at rates approximating the foreign exchange rates ruling at the date of transactions. Foreign exchange differences arising on the translation of foreign operations are recognised in other comprehensive income and presented as a foreign currency translation reserve.

#### **Property, plant and equipment**

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

# **GBUK Group Limited (formerly Hamsard 3369 Limited)**

## **Notes to the consolidated financial statements for the period ended 30 June 2016**

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

#### **Property, plant and equipment (continued)**

Depreciation is calculated using the straight-line method to allocate cost to residual values over estimated useful lives, as follows:

|                                   |                |
|-----------------------------------|----------------|
| Land and buildings                | 10 to 20 years |
| Furniture, fittings and equipment | 3 to 5 years   |
| Plant and machinery               | 5 years        |

The assets residual values and useful lives are reviewed and adjusted if appropriate at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

#### **Intangible assets**

##### **(a) Goodwill**

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Goodwill is allocated to cash generating units ("CGU's") for the purposes of impairment testing, and is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

##### **(b) Intellectual property**

Intellectual property is shown at historical costs. Intellectual property acquired in a business combination are recognised at fair value at the date of acquisition. These assets have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful economic lives.

##### **(c) Customer and Supplier relationships**

Customer and Supplier relationships acquired in a business combination are recognised at fair value at the date of acquisition. These assets have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is determined by the relevant valuation method to allocate the cost over their estimated useful economic lives.

##### **(d) Computer software**

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Computer software is stated at costs less accumulated amortisation and accumulated impairment losses.

Where factors such as technological advancement or changes in market price indicate the residual value or useful life have changes, these are amended prospectively to reflect the new circumstances.

# **GBUK Group Limited (formerly Hamsard 3369 Limited)**

## **Notes to the consolidated financial statements for the period ended 30 June 2016**

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

#### **Intangible assets (continued)**

The significant intangible assets recognised by the group, their useful economic lives and the methods used to determine the cost of these intangibles acquired on acquisition are as follows:

|                        | <b>Useful economic life</b> | <b>Valuation method</b>  |
|------------------------|-----------------------------|--|
| Intellectual property  | 10 years                    | Cost for acquired, Multiple of estimated reserves and profits for internally generated |
| Customer relationships | 7 years                     | Multi-Period Excess Earnings Method (MEEM)   |
| Supplier relationships | 5 years                     | "with and without" approach  |
| Computer software      | 3 years                     | Cost   |

The assets are reviewed annually for any indication that the carrying amount may be impaired.

#### **Impairment of non-financial assets**

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to dispose and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

#### **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate.



# **GBUK Group Limited (formerly Hamsard 3369 Limited)**

## **Notes to the consolidated financial statements for the period ended 30 June 2016**

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

#### **Financial assets**

The group has one classification of financial assets; loans and receivables. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers and are included in current assets, except for maturities greater than twelve months after the end of the reporting period. These are classified as non-current assets. The group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet.

#### **Trade and other receivables**

Trade receivables are amounts due from customers for goods and services provided in the ordinary course of business. If collection is expected in one period or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

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

Cash and cash equivalents include cash in hand and cash held at banks.

#### **Financial liabilities**

The group has one classification of financial liabilities; other financial liabilities which include 'trade payables' and 'borrowings'.

#### **Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one period or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### **Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Preference shares, which are redeemable on Exit, are classified as liabilities.

#### **Exceptional Items**

Items that are material either because of their size, their nature, or that are non-recurring are considered as exceptional items and are presented separately on the statement of profit or loss.

# **GBUK Group Limited (formerly Hamsard 3369 Limited)**

## **Notes to the consolidated financial statements for the period ended 30 June 2016**

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

#### **Derivative financial instruments**

The group uses derivative financial instruments, forward contracts, to hedge its foreign currency risks. These contracts are initially recognised at fair value on the date on which the contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedged item affects profit or loss.

At the inception of a cash flow hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. Hedges are expected to be highly effective in offsetting changes in cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

For cash flow hedges that meet the strict criteria for hedge accounting the effective portion of the gain or loss on the instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss as other operating expenses.

#### **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or counterparty.

#### **Share capital**

Ordinary shares are classified as equity. Preference shares are classified as liabilities.

#### **Leases**

Leases in which a significant portion of the risks and rewards of ownership are operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

#### **Fair value estimation**

Fair values estimation under IFRS 13 requires the group to classify for disclosure purposes fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements on its financial assets. The fair value hierarchy has the following levels:

- Level (1) quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level (2) inputs other than quoted prices included within Level (1) that are observable for the asset or liability, either directly or indirectly.
- Level (3) inputs for the asset or liabilities that are not based on observable market data.

# **GBUK Group Limited (formerly Hamsard 3369 Limited)**

## **Notes to the consolidated financial statements for the period ended 30 June 2016**

### **3 Critical accounting estimates and assumptions**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are addressed below.

#### **Goodwill**

The group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The use of this method requires the estimation of future cash flows using estimated growth rates and appropriate discount rates as mentioned in note 14.

#### **Intellectual property**

The Group made upfront payments to purchase patents and trademarks. Patents are granted for a period of twenty years from the date of application, whilst Trademarks are granted for a period of ten years, with an option to review for a further ten years. Once granted both Patents and Trademarks are assumed to have a useful life of ten years and the costs of the application are amortised over this period.

#### **Relationships**

*Customer and Supplier relationships acquired in a business combination are recognised at fair value at the date of acquisition. The valuation of customer relationships is based on the excess earnings method, representing the present value of future cash flows expected to be generated by customer relationships. The valuation of supplier relationships is based on the with-or-without method, based on comparing future cash flows expected to arise from having the intangible asset available against the future cash flows expected to arise from not having the intangible asset available.*

#### **Fair value of deferred consideration**

Deferred consideration resulting from business combinations, is initially measured at fair value at the acquisition date as part of the business combination. As part of the accounting for its acquisition of GBUK Ltd and GBUK Enteral Ltd deferred consideration of £750,000 was payable 12 months from the acquisition date and £500,000 was payable 24 months from the acquisition date. Discounted at the expected after-tax cost of debt to an estimated fair value of £738,000 and £471,000 respectively.

# **GBUK Group Limited (formerly Hamsard 3369 Limited)**

## **Notes to the consolidated financial statements for the period ended 30 June 2016**

### **4 Financial risk management**

#### **4.1 Financial risk factors**

The group's activities expose it to a variety of market and financial risk. The Board has overall responsibility for the determination of the group's risk management objectives and policies, and receives quarterly financial reports through which it reviews the effectiveness of the processes in place and the appropriateness of the objectives and policies.

##### **Foreign exchange risk**

The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro and US Dollar. The company uses forward exchange contracts to hedge against exposure risk on trade payables, monitoring relevant foreign exchange rates to reduce the impact of any significant devaluation in Sterling. Although the board accepts that this does not fully eliminate exchange rate risk associated with a devaluation of Sterling, it considers that they achieve an appropriate balance of exposure to these risks.

##### **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with LIBOR+ interest rates. The Group manages its interest rate risk by restricting the level of leverage acceptable to the business and ensuring forecasts maintain a comfortable amount of headroom.

##### **Liquidity risk**

Liquidity risk is the risk that the company is unable to meet its current and future financial obligations as they fall due at acceptable cost. The group's working capital levels are sufficient to meet current obligations as they fall due. The directors do not believe that there is any significant exposure to liquidity risk on meeting future financial obligations as the group is profitable, cash generative and has prudent financing facilities, some of which are currently undrawn but available, to manage any liquidity requirement.

##### **Credit risk**

Credit risk is the risk of financial loss to the group if a customer or counterparty will default on its contractual obligations. The group is exposed to credit risk from credit sales, but has strong credit management processes in place, including a credit risk assessment of new customers and a monthly review of creditworthiness of existing customers based on trade receivables ageing analysis.

# GBUK Group Limited (formerly Hamsard 3369 Limited)

## Notes to the consolidated financial statements for the period ended 30 June 2016

### 4.2 Capital management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns to the parent undertaking and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the value of dividends paid, capital returned to the immediate parent undertaking, issue new shares or sell assets to reduce debt. No changes were made in the objectives, policies or processes during the period ended 30 June 2016. Capital consists of equity attributable to equity holders of the group, which amounted to £1,366,000 as at 30 June 2016.

## 5 Segmental Information

For management purposes, the Group is organised into business units based on products and services, with a trading entity for each segment, as follows:

GBUK Ltd supplies critical care and patient handling medical consumables.  
GBUK Enteral Ltd supplies enteral feeding medical consumables and devices.

Total revenue for the period ended 30 June 2016 was split between the two trading entities as follows:

|                  | Period from 25<br>February 2015<br>to 30 June 2016 |
|------------------|--|
| Group            | £'000  |
| GBUK Ltd         | 6,922  |
| GBUK Enteral Ltd | 7,181  |
| <b>Total</b>     | <b>14,103</b>                                      |

Total revenue for the period ended 30 June 2016 relates to revenue primarily originated in the United Kingdom.

|                   | Period from 25<br>February 2015<br>to 30 June 2016 |
|-------------------|--|
| Group             | £'000  |
| United Kingdom    | 13,831   |
| European Union    | 234  |
| Rest of the World | 38   |
| <b>Total</b>      | <b>14,103</b>                                      |

The revenue, loss for the period, total assets and total liabilities are attributable to the principal activities of the group as described in the strategic report on page 2.

# **GBUK Group Limited (formerly Hamsard 3369 Limited)**

## **Notes to the consolidated financial statements for the period ended 30 June 2016**

### **6 Expenses by nature**

|  | <b>Period from 25<br/>February 2015 to<br/>30 June 2016</b> |
|--|---|
|  | <b>£'000</b>  |
| Cost of sales  | 8,049   |
| Selling and distribution (net of remuneration & lease charges) | 534   |
| Employee benefit expense (note 8)                              | 1,887   |
| Depreciation and amortisation charges (notes 13 and 14)        | 1,958   |
| Rent and service charges                                       | 313   |
| Rates  | 83  |
| Legal and professional fees                                    | 165   |
| Computer costs   | 156   |
| Management fee   | 166   |
| Operating lease charges  | 78  |
| Auditors' remuneration (note 7)                                | 33  |
| Foreign exchange losses  | 140   |
| Other expenses   | 340   |
| <b>Total operating expenses</b>                                | <b>13,902</b>   |

### **7 Auditors' remuneration**

|  | <b>Period from 25<br/>February 2015 to 30<br/>June 2016</b> |
|--|---|
|  | <b>£'000</b>  |
| Fees payable to the company's auditors for the audit of the parent company and consolidated financial statements | 13  |
| Fees payable to the company's auditors for other services:   |   |
| - Audit of the company's subsidiaries  | 13  |
| - Tax services for the group   | 7   |
| - Transaction services (note 10)   | 151   |
|  | <b>184</b>  |

# GBUK Group Limited (formerly Hamsard 3369 Limited)

## Notes to the consolidated financial statements for the period ended 30 June 2016

### 8 Employee benefit expense

|                       | Period from 25<br>February 2015<br>to 30 June<br>2016 |
|-----------------------|---|
|                       | £'000   |
| Wages and salaries    | 1,642   |
| Social security costs | 212   |
| Other pension         | 33  |
|                       | <b>1,887</b>  |

The average monthly number of employees, excluding executive directors, during the period was as follows:

|                    | Period from 25<br>February 2015<br>to 30 June<br>2016 |
|--------------------|---|
|                    | £'000   |
| <b>By activity</b> | <b>Number</b>   |
| Administration     | 29  |
| Management         | 2   |
| Sales              | 24  |
| Warehouse          | 13  |
|                    | <b>68</b>   |

### 9 Directors' remuneration

|                                       | Period from 25<br>February 2015<br>to 30 June<br>2016 |
|---------------------------------------|---|
| Group                                 | £'000   |
| Aggregate remuneration (note 29)      | 525   |
| Remuneration to highest paid director | 224   |

# GBUK Group Limited (formerly Hamsard 3369 Limited)

## Notes to the consolidated financial statements for the period ended 30 June 2016

### 10 Exceptional items

The exceptional items during the period are detailed below:

|  | Period from 25<br>February 2015<br>to 30 June<br>2016<br>£'000 |
|--|--|
| <b>Group reorganisation and acquisition of subsidiary cost</b> | <b>1,292</b>   |

Exceptional costs in the period related to the acquisition by the company of the share capital of GBUK Limited, GBUK Enteral Limited and Enteral UK Limited, including legal services, investment fees and financial and commercial due diligence.

### 11 Finance income and costs

|                                 | Period from 25<br>February 2015<br>to 30 June<br>2016<br>£'000 |
|---------------------------------|--|
| Interest expense:               |  |
| Bank interest                   | (352)  |
| Preference share interest       | (941)  |
| Amortisation of bank debt fees  | (69)   |
| Unwinding of discount           | (112)  |
| Other interest                  | (51)   |
| <b>Finance costs</b>            | <b>(1,525)</b>   |
| Finance income:                 |  |
| Interest income on cash at bank | 2  |
| <b>Finance income</b>           | <b>2</b>   |
| <b>Net finance costs</b>        | <b>(1,523)</b>   |



# GBUK Group Limited (formerly Hamsard 3369 Limited)

## Notes to the consolidated financial statements for the period ended 30 June 2016

### 12 Income tax expense

Period from 25  
February 2015 to  
30 June 2016

|   | £'000        |
|---|--------------|
| <b>Current tax:</b>                               |              |
| Current tax on loss for the period                | -            |
| Adjustments in respect of prior periods           | (130)        |
| <b>Total current tax credit</b>                   | <b>(130)</b> |
| <b>Deferred tax:</b>                              |              |
| Origination and reversal of temporary differences | (425)        |
| Impact of change in tax rate                      | (239)        |
| <b>Total deferred tax charge (note 24)</b>        | <b>(664)</b> |
| <b>Total tax credit</b>                           | <b>(794)</b> |

Tax on the group's loss before tax differs from the theoretical amount that would arise using the standard tax rate applicable in the UK to profit / (losses) of the consolidated entities as follows:

Period from 25  
February 2015  
to 30 June 2016

|   | £'000          |
|---|----------------|
| <b>Loss before income tax</b>   | <b>(2,615)</b> |
| Tax calculated at the standard rate of corporation tax in the UK of 20% | (523)          |
| Tax effects of:   |                |
| Adjustments in respect of prior periods                                 | (130)          |
| Tax rate changes  | (202)          |
| Amounts not recognised  | 1              |
| Share options   | (396)          |
| Expenses not deductible for tax purposes                                | 456            |
| <b>Income tax credit</b>  | <b>(794)</b>   |

Factors that may affect future tax charges are covered under note 24 on deferred income tax.

## GBUK Group Limited (formerly Hamsard 3369 Limited)

### Notes to the consolidated financial statements for the period ended 30 June 2016

#### 13 Property, plant and equipment

|                                  | Land and<br>buildings | Plant and<br>machinery | Furniture,<br>fittings<br>and equipment | Total      |
|----------------------------------|-----------------------|------------------------|---|------------|
| <b>Group</b>                     |                       |                        |   |            |
| <b>Period ended 30 June 2016</b> |                       |                        |   |            |
| Acquisition of a subsidiary      | 554                   | 100                    | 86                                      | 739        |
| Additions                        | -                     | 144                    | 44                                      | 187        |
| Disposals                        | (10)                  | -                      | (2)                                     | (12)       |
| Depreciation charge              | (21)                  | (33)                   | (30)                                    | (83)       |
| <b>Closing net book amount</b>   | <b>523</b>            | <b>211</b>             | <b>98</b>                               | <b>832</b> |
| <b>At 30 June 2016</b>           |                       |                        |   |            |
| Cost                             | 605                   | 290                    | 272                                     | 1,168      |
| Accumulated depreciation         | (83)                  | (79)                   | (174)                                   | (336)      |
| <b>Net book amount</b>           | <b>523</b>            | <b>211</b>             | <b>98</b>                               | <b>832</b> |

Depreciation charge of £83,000 has been charged in 'Depreciation and amortisation' in the consolidated income statement.

The company GBUK Group Limited as an individual entity has no property, plant and equipment.

# GBUK Group Limited (formerly Hamsard 3369 Limited)

## Notes to the consolidated financial statements for the period ended 30 June 2016

### 14 Intangible assets

|                                  | Intellectual<br>property | Customer<br>relationships | Supplier<br>relationships | Goodwill     | Total         |
|----------------------------------|--------------------------|---------------------------|---------------------------|--------------|---------------|
| Group                            | £'000                    | £'000                     | £'000                     | £'000        | £'000         |
| <b>Period ended 30 June 2016</b> |                          |                           |                           |              |               |
| Acquisition of a subsidiary      | 38                       | 11,075                    | 2,508                     | 9,888        | 23,509        |
| Additions                        | 41                       | -                         | -                         | -            | 41            |
| Amortisation charge              | (5)                      | (1,281)                   | (589)                     | -            | (1,875)       |
| <b>Closing net book amount</b>   | <b>74</b>                | <b>9,794</b>              | <b>1,919</b>              | <b>9,888</b> | <b>21,675</b> |
| <b>At 30 June 2016</b>           |                          |                           |                           |              |               |
| Cost                             | 79                       | 11,075                    | 2,508                     | 9,888        | 23,509        |
| Accumulated amortisation charge  | (5)                      | (1,281)                   | (589)                     | -            | (1,875)       |
| <b>Net book amount</b>           | <b>74</b>                | <b>9,794</b>              | <b>1,919</b>              | <b>9,888</b> | <b>21,675</b> |

Amortisation charge of £1,875,000 has been charged in 'Depreciation and amortisation' in the consolidated statement of comprehensive income.

The company GBUK Group Limited as an individual entity, has no intangible assets.

#### Impairment tests for goodwill

In accordance with IAS 36 'impairment of assets' goodwill is subject to an annual impairment review. The directors do not consider the need for an impairment charge at 30 June 2016.

The recoverable amount of goodwill of £9,888,000 as at 30 June 2016 has been determined based on value-in-use calculations. These calculations use pre-tax and post-tax cash flow projections based on financial budgets approved by management covering a five year period. Cash flows beyond the five-year period reduce in years six and seven until it reaching an extrapolation rate of 2.0%, with a pre-tax discount rate of 16.9%.

# GBUK Group Limited (formerly Hamsard 3369 Limited)

## Notes to the consolidated financial statements for the period ended 30 June 2016

### 14 Intangible assets (continued)

#### Key assumptions used in value in use calculations and sensitivity to changes in assumptions

The calculation of value in use for the cash generating unit is most sensitive to the following assumptions:

- Discount rates – the discount rate calculation is based on the group's weighted average cost of capital adjusted to reflect the pre-tax discount rate and amounts to 16.9% in 2016. The long-term increase in the weighted average cost of capital above 28.1% without any other variations may have an effect on the discounted cash flows of the cash generating unit and may indicate a need for goodwill impairment;
- Growth rates used to extrapolate cash flows beyond the forecast period – rates are based on published industry research. A reduction of growth rates to negative growth rates of in the long-term growth rate would start to indicate an impairment;
- Gross margin – gross margins are based on average values expected in 2016. Decrease in demand can lead to a decline in the gross margin.

As of 30 June 2016, the group did not have any intangible assets with indefinite useful lives.

### 15 Investments

| Company                           | 2016<br>£'000 |
|-----------------------------------|---------------|
| Shares in subsidiary undertakings |               |
| At 30 June 2016                   | 25,644        |

At 30 June 2016, the company's subsidiary undertakings were:

| Name of undertaking         | Percentage shareholding | Place of incorporation | Nature of business        |
|-----------------------------|-------------------------|------------------------|---------------------------|
| GBUK Limited                | 100%                    | United Kingdom         | Supply of medical devices |
| GBUK Enteral Limited        | 100%                    | United Kingdom         | Supply of medical devices |
| Enteral UK Limited          | 100%                    | United Kingdom         | Dormant                   |
| GB (UK) HC Limited*         | 100%                    | United Kingdom         | Dormant                   |
| Quintal Healthcare Limited* | 100%                    | United Kingdom         | Dormant                   |
| *Indirectly held            |                         |                        |                           |

# GBUK Group Limited (formerly Hamsard 3369 Limited)

## Notes to the consolidated financial statements for the period ended 30 June 2016

### 16 Fair value of financial instruments

Financial instruments comprise financial assets and financial liabilities.

Financial assets comprise of cash and bank balances and receivables. Financial liabilities consist of borrowings and payables.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of financial instruments are not materially different from their carrying values largely due to the short-term maturities of these instruments.

### 17 Inventories

|                | <b>Group</b> | <b>Company</b> |
|----------------|--------------|----------------|
|                | <b>2016</b>  | <b>2016</b>    |
|                | <b>£'000</b> | <b>£'000</b>   |
| Finished goods | <b>3,524</b> | <b>-</b>       |

The cost of inventories recognised is an expense and included in 'cost of sales' amounted to £8,049,000.

### 18 Trade and other receivables

|  | <b>Group</b> | <b>Company</b> |
|--|--------------|----------------|
|  | <b>2016</b>  | <b>2016</b>    |
|  | <b>£'000</b> | <b>£'000</b>   |
| <b>Current</b>                           |              |                |
| Trade receivables                        | 1,365        | -              |
| Other current financial assets           | 193          | -              |
| Prepayments and accrued income           | 184          | -              |
| Cash on deposit                          | 3            | -              |
| <b>Total trade and other receivables</b> | <b>1,745</b> | <b>-</b>       |

The fair values of trade and other receivables are equivalent to the carrying amounts.

# GBUK Group Limited (formerly Hamsard 3369 Limited)

## Notes to the consolidated financial statements for the period ended 30 June 2016

### 18 Trade and other receivables (continued)

#### *Trade receivables*

Trade receivables that are less than 3 months past due are not considered impaired. At 30 June 2016, trade receivables of £50,000 (company £nil) were more than 3 months past due. These relate to a number of customers for whom there is no history of default. The ageing analysis of these trade receivables is as follows:

|               | <b>Group</b> | <b>Company</b> |
|---------------|--------------|----------------|
|               | <b>2016</b>  | <b>2016</b>    |
|               | <b>£'000</b> | <b>£'000</b>   |
| 3 – 6 months  | 11           | -              |
| Over 6 months | 39           | -              |
|               | <b>50</b>    | <b>-</b>       |

As of 30 June 2016, none of the trade receivables (company £nil) were impaired and provided for in full. By the date the accounts were signed 99% of the amounts due had been collected.

The carrying amounts of receivables are denominated in pound sterling.

### 19 Cash and cash equivalents

|                                  | <b>Group</b> | <b>Company</b> |
|----------------------------------|--------------|----------------|
|                                  | <b>2016</b>  | <b>2016</b>    |
|                                  | <b>£'000</b> | <b>£'000</b>   |
| <b>Cash and cash equivalents</b> | <b>2,946</b> | <b>136</b>     |

# GBUK Group Limited (formerly Hamsard 3369 Limited)

## Notes to the consolidated financial statements for the period ended 30 June 2016

### 20 Share capital and premium

| Group and company              | 2016<br>Number of<br>shares | 2016<br>Ordinary<br>shares £ | 2016<br>Share<br>premium £ | 2016<br>Total<br>£ |
|--------------------------------|-----------------------------|------------------------------|----------------------------|--------------------|
| Shares issued on incorporation | 1                           | 1                            | -                          | 1                  |
| Proceeds from shares issued    | 331,999                     | 3,319                        | 297,000                    | 300,319            |
| <b>At 30 June 2016</b>         | <b>332,000</b>              | <b>3,320</b>                 | <b>297,000</b>             | <b>300,320</b>     |

On incorporation, the company issued 1 ordinary share of £1 at par value.

On 13 November 2015, the company sub divided the 1 subscriber share into 100 ordinary shares of £0.01 each.

On 13 November 2015, the company issued 250,000 ordinary A shares and 50,000 ordinary B shares of £0.01 per share at a value of £3,000.

On 15 March 2016, the company issued 32,000 ordinary C shares of £0.01 per share at par value.

### 21 Trade and other payables

|                                 | Group<br>2016<br>£'000 | Company<br>2016<br>£'000 |
|---------------------------------|------------------------|--------------------------|
| <b>Non-current</b>              |                        |                          |
| <b>Other payables</b>           | -                      | -                        |
| <b>Current</b>                  |                        |                          |
| Trade payables                  | 1,539                  | -                        |
| Amounts due to related parties  | -                      | 1,414                    |
| Social security and other taxes | 460                    | -                        |
| Other payables                  | 678                    | 663                      |
| Accrued expenses                | 1,089                  | 152                      |
|                                 | <b>3,766</b>           | <b>2,229</b>             |

The carrying value of the loan is deemed to approximate its fair value. Other payables include deferred consideration payable on the acquisition of GBUK Limited, GBUK Enteral Limited and Enteral UK Limited, see note 28 for further details.

# GBUK Group Limited (formerly Hamsard 3369 Limited)

## Notes to the consolidated financial statements for the period ended 30 June 2016

### 22 Borrowings

|                    | Group<br>2016<br>£'000 | Company<br>2016<br>£'000 |
|--------------------|------------------------|--------------------------|
| <b>Non-current</b> |                        |                          |
| Bank borrowings    | 11,030                 | 11,030                   |
| Preference shares  | 12,821                 | 12,821                   |
|                    | <b>23,921</b>          | <b>23,921</b>            |
|                    |                        |                          |
|                    | Group<br>2016<br>£'000 | Company<br>2016<br>£'000 |
| <b>Current</b>     |                        |                          |
| Bank borrowings    | 1,000                  | 1,000                    |

#### (i) Borrowings

Bank borrowings mature until 30 June 2020 and bear interest of 3.5% on Term A and 4.0% on Term B.

Bank borrowings include secured liabilities of £12,500,000, secured by way of a fixed and floating charge and net £470,000 of borrowings fees which are being amortised over the life over the loans.

The carrying value of the bank borrowings are deemed to approximate their fair value.

#### (ii) Preference shares

The group issued 11,950,000 preference shares with a par value of £0.001 per share on 13 November 2015. The shares are mandatorily redeemable on the sale of the group. Interest is compounded and is added to the balance of the preference shares above. Included in the balance was Compound interest is £891,000.



## GBUK Group Limited (formerly Hamsard 3369 Limited)

### Notes to the consolidated financial statements for the period ended 30 June 2016

#### 23 Derivative financial instruments

|   | <b>Assets</b> | <b>Liabilities</b> |
|---|---------------|--------------------|
|   | <b>2016</b>   | <b>2016</b>        |
|   | <b>£'000</b>  | <b>£'000</b>       |
| Forward foreign exchange contracts – cash flow hedges | 193           | -                  |
| <b>Total</b>  | <b>193</b>    | <b>-</b>           |
| Less non-current portion:                             |               |                    |
| Interest rate swaps – cash flow hedge                 | -             | -                  |
| Income tax effect                                     | (39)          | -                  |
| <b>Hedging reserve</b>                                | <b>154</b>    | <b>-</b>           |

At the period end, the group had contracted to purchase a total of £2,610,000 forward contracts at various fixed exchange rates. These agreements were entered into to hedge the currency risk of future purchases of medical devices in Euros and US dollars.

The derivatives were remeasured on the 30 June 2016 based on the forward rates available for equivalent contracts at that date. The positive fair value of £193,000 was recognised in OCI, to be reclassified to profit or loss when the hedged item affects profit or loss.

The fair value hierarchy at 30 June 2016 was Level 2.

# GBUK Group Limited (formerly Hamsard 3369 Limited)

## Notes to the consolidated financial statements for the period ended 30 June 2016

### 24 Deferred income tax

|  | Group<br>2016<br>£'000 | Company<br>2016<br>£'000 |
|--|------------------------|--------------------------|
| <b>Deferred tax assets</b>                                   |                        |                          |
| Deferred tax asset to be recovered after more than 12 months | 92                     | -                        |
| <b>Deferred tax liabilities</b>                              |                        |                          |
| Deferred tax liability to be paid after more than 12 months  | 2,264                  | -                        |
| <b>Deferred tax liability (net)</b>                          | <b>2,172</b>           | <b>-</b>                 |

The gross movement on the deferred income tax account for the group is as follows:

|  | Deferred tax asset |                          | Deferred tax liability         |  |                            |
|--|--------------------|--------------------------|--------------------------------|--|----------------------------|
|  | Tax losses         | Total deferred tax asset | Accelerated capital allowances | Fair value of acquired intangible assets | Net deferred tax liability |
|  | £'000              | £'000                    | £'000                          | £'000                                    | £'000                      |
| On acquisition                               |                    |                          | (112)                          | (2,724)                                  | (2,836)                    |
| Income statement (charge) / credit (note 12) | 92                 | 92                       | (30)                           | 602                                      | 572                        |
| <b>At 30 June 2016</b>                       | <b>92</b>          | <b>92</b>                | <b>(142)</b>                   | <b>(2,122)</b>                           | <b>(2,264)</b>             |

Deferred income tax assets are recognised on tax losses and carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable.

#### Factors affecting current and future tax charges

A change to the UK corporation tax rate was announced in the Budget on 16 March 2016 to reduce the rate to 17% from 1 April 2020 and was substantially enacted on 6 September 2016. Changes to reduce the UK corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020 had already been substantively enacted on 26 October 2015. As the change to 17% had not been substantively enacted at the balance sheet date its effects are not included in these financial statements.

At 30 June 2016, the company GBUK Group Limited as an individual entity has an unrecognised deferred tax asset in respect of trading losses of £491,000.

# GBUK Group Limited (formerly Hamsard 3369 Limited)

## Notes to the consolidated financial statements for the period ended 30 June 2016

### 25 Cash generated from operations

|  | Group<br>2016<br>£'000 | Company<br>2016<br>£'000 |
|--|------------------------|--------------------------|
| Loss before income tax   | (2,614)                | (2,879)                  |
| <i>Adjustments for non-cash items:</i>                         |                        |                          |
| Depreciation (note 13)   | 83                     | -                        |
| Loss on disposal of property,<br>plant and equipment (note 13) | -                      | -                        |
| Amortisation (note 14)   | 1,875                  | -                        |
| Finance costs / (income) – net<br>(note 11)                    | 1,523                  | 1,453                    |
| <i>Changes in working capital:</i>                             |                        |                          |
| (increase) / decrease in<br>inventories                        | (871)                  | -                        |
| (Increase) / decrease in trade and<br>other receivables        | 980                    | -                        |
| (Decrease) / increase in trade<br>and other payables           | (2,414)                | (532)                    |
| <b>Cash generated from operations</b>                          | <b>(1,438)</b>         | <b>(1,958)</b>           |

# GBUK Group Limited (formerly Hamsard 3369 Limited)

## Notes to the consolidated financial statements for the period ended 30 June 2016

### 26 Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

|                            | <b>Plant and<br/>machinery</b> | <b>Land and buildings</b> |
|----------------------------|--------------------------------|---------------------------|
| <b>Group</b>               | <b>2016<br/>£'000</b>          | <b>2016<br/>£'000</b>     |
| Within one period          | 126                            | 438                       |
| Within two to five periods | 202                            | 1,332                     |
| After more than five years | 4                              | 408                       |

The company GBUK Group Limited as an individual entity has no operating lease commitments.

### 27 Contingencies

The group's debt is secured by fixed and floating charges, cross guaranteed across the group.

At the period end, the group had contracted to purchase a total of £2,610,000 forward contracts at various fixed exchange rates. These agreements were entered into to hedge the currency risk of future purchases of medical devices in Euros and US dollars.

# GBUK Group Limited (formerly Hamsard 3369 Limited)

## Notes to the consolidated financial statements for the period ended 30 June 2016

### 28 Business combinations

On 13 November 2015, the company acquired 100% of the share capital of GBUK Limited, GBUK Enteral Limited and Enteral UK Limited. The following table sets out the fair values of the identifiable assets and liabilities acquired.

|   | <b>2016</b><br><b>£'000</b> |
|---|-----------------------------|
| <b>Net assets acquired</b>                                |                             |
| Intangible assets   | 38                          |
| Property, plant and equipment                             | 739                         |
| Cash and cash equivalents                                 | 2,858                       |
| Trade and other receivables                               | 2,532                       |
| Inventories   | 2,653                       |
| Trade and other payables                                  | (3,811)                     |
| <b>Net assets identified</b>                              | <b>5,009</b>                |
| Customer relationships                                    | 11,075                      |
| Supplier relationships                                    | 2,508                       |
| Deferred tax liability recognised on intangibles acquired | (2,836)                     |
| <b>Total identifiable net assets</b>                      | <b>15,756</b>               |
| Goodwill  | 9,888                       |
| <b>Total</b>  | <b>25,644</b>               |
| <b>Satisfied by:</b>                                      |                             |
| Paid upon completion                                      | 23,824                      |
| Deferred option tax consideration                         | 644                         |
| Deferred consideration (payable within 12 months)         | 718                         |
| Deferred consideration (payable within 24 months)         | 458                         |
|   | <b>25,644</b>               |

Acquisition related costs of £1,292,000 have been charged to Exceptional Items in the consolidated income statement for the period ended 30 June 2016.

The acquisition included deferred consideration payable after 12 and 24 months. The fair value estimate at the 13 November 2015 is derived from a discounted rate of 4.5% which is the after-tax cost of debt.

Based on a fair value review at the reporting date, no fair value adjustments have been made to the net assets acquired or goodwill.

# GBUK Group Limited (formerly Hamsard 3369 Limited)

## Notes to the consolidated financial statements for the period ended 30 June 2016

### 29 Related party disclosures

The following transactions were carried out with related parties:

#### (a) Purchase of services

|  | <b>Group</b> | <b>Company</b> |
|--|--------------|----------------|
|  | <b>2016</b>  | <b>2016</b>    |
|  | <b>£'000</b> | <b>£'000</b>   |
| Entity controlled by a director and shareholder of the company | 344          | -              |
| Ultimate parent undertaking                                    | 499          | 499            |

Services are charged on normal commercial terms and conditions.

#### (b) Period end balances arising from purchasing services

|                             | <b>Group</b> | <b>Company</b> |
|-----------------------------|--------------|----------------|
|                             | <b>2016</b>  | <b>2016</b>    |
|                             | <b>£'000</b> | <b>£'000</b>   |
| Payables to related parties | 21           | -              |
| Subsidiary undertakings     | -            | 1,416          |

#### (c) Key management personnel

Executive directors represent the key management personnel. The compensation paid or payable to key management for employee services is shown below:

|   | <b>Group</b> | <b>Company</b> |
|---|--------------|----------------|
|   | <b>2016</b>  | <b>2016</b>    |
|   | <b>£'000</b> | <b>£'000</b>   |
| Salaries and other short-term employee benefits | 508          | -              |
| Termination benefits                            | -            | -              |
| Post-employment benefits                        | 17           | -              |
| Other long-term benefits                        | -            | -              |
| <b>Total</b>                                    | <b>525</b>   | <b>-</b>       |

## **GBUK Group Limited (formerly Hamsard 3369 Limited)**

### **Notes to the consolidated financial statements for the period ended 30 June 2016**

#### **29 Related party disclosures (continued)**

##### **(d) Directors**

|  | <b>Group</b> | <b>Company</b> |
|--|--------------|----------------|
|  | <b>2016</b>  | <b>2016</b>    |
|  | <b>£'000</b> | <b>£'000</b>   |
| Aggregate remuneration   | 508          | -              |
| Aggregate amounts receivable under long-term incentive schemes | -            | -              |
| Company contributions to money purchase pension scheme         | 17           | -              |
| <b>Total</b>   | <b>525</b>   | <b>-</b>       |

#### **30 Events After the Balance Sheet Date**

On 12 September 2016, the company acquired 100% of the share capital of Intervene Group Limited.

#### **31 Ultimate controlling party**

The company's immediate, ultimate parent undertaking and controlling party is Cooperatief H2 Equity Partners Fund IV Holding W.A..