

Registered number 09458917

GBUK Group Limited
Report and consolidated financial statements
for the year ended 30 June 2021

SATURDAY



AAZM7AIR

A06

12/03/2022

#329

COMPANIES HOUSE

GBUK Group Limited

Report and consolidated financial statements for the year ended 30 June 2021

Contents

	Page(s)
Directors and advisers	1
Strategic report	2 - 3
Directors' report	4 - 6
Independent auditors' report	7 - 10
Consolidated statement of comprehensive income	11
Consolidated and company statements of financial position.....	12 - 13
Consolidated and company statements of changes in equity.....	14 - 15
Consolidated and company statements of cash flows.....	16
Notes to the consolidated financial statements	17 - 47

GBUK Group Limited

Directors and advisers

Directors

M C Thompson
M R Garbett
P V J Spiller
M J Geering
J D Cowan
P H L Kalverboer
G R R Dew
G R Mills

Secretary

M R Garbett

Registered Office

Woodland House
Blackwood Hall Business Park
North Duffield
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 (England and Wales)

GBUK Group Limited

Strategic report for the year ended 30 June 2021

The directors present their Strategic report on the group for the year from 1 July 2020 to 30 June 2021.

Review of the business

The principal activity of the company during the year was to act as the holding company for GBUK Group Limited and its subsidiary undertakings ("the group"), encompassing principal trading entities GBUK Ltd and GBUK Enteral Limited, which are engaged in the supply of medical devices and consumables.

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

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

Key performance indicators

The group considers growth in 'business as usual' product revenue as the key financial performance indicator, which is monitored and reviewed by the Board on a monthly basis, whilst placing a strategic focus on continuing to actively support the response to Covid-19 in the year to 30 June 2021 and establishing export opportunities ready for the easing of Covid-19 restrictions.

After successfully capturing significant additional sales from Coronavirus opportunities in April to December 2020, the pressure on healthcare institutions, the reduction in elective surgeries and the restrictions on face-to-face customer training opportunities, resulted in a slowdown in sales in the final six months to 30 June 2021. The directors are therefore pleased to report revenue of £60,671,000 in the year ended 30 June 2021, which was a decrease of 9.2% in total sales of £66,825,000 for the year ended 30 June 2020, but included growth in 'business as usual' sales and consistent export revenue.

Principal risks and uncertainties

The group operates in a competitive environment and has successfully maintained strong sales in a difficult year by ensuring effective procurement of competitively priced products and proactive efforts to manage the impact of Covid-19 and its subsequent impact on international shipping.

The group continues to expand its customer and distributor base, in the UK and overseas, but the NHS remains a key customer for the group, where an experienced and clinically trained sales team, provide a high level of customer service for the group's broad product portfolio.

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

GBUK Group Limited

Strategic report for the year ended 30 June 2021 (continued)

Principal risks and uncertainties (continued)

The group takes proactive measures to manage these risks, including a multi-partner approach to international shipping and the use of forward exchange contracts to hedge against foreign currency exposure on trade payables, with a monthly review of both by the directors. The directors accept that this does not eliminate the risks, but considers that they achieve an appropriate balance of exposure to these risks.

The global Coronavirus pandemic presented a variety of risks to all organisations, and an initial challenge for many of the group's manufacturers, particularly those in China, Italy & India. However, the group's robust supply chain of quality manufacturers and positive long-term relationships, with multi-site manufacturing where possible, ensured product availability was successfully managed across the GBUK group range, whilst further proactive actions and initiatives ensured the group not only managed the challenges, but was also able to focus on the opportunities and support the Coronavirus response.

Position

Despite the significant fluctuations caused by the Coronavirus pandemic in the last two financial years, in the year ended 30 June 2021, the group successfully maintained revenue above £60 million, which is £17 million or 39% higher than the pre-pandemic year ended 30 June 2019.

Throughout the period the group has also continued to introduce new products, new markets and new customers, whilst maintaining a strategic focus on supply side opportunities. Where initiatives with new and existing suppliers, has added value to customers and reduced costs, to minimise the impact of movements in foreign exchange and shipping rates.

Coronavirus continues to present a challenge to the delivery of care by hospitals and other healthcare providers and the group continues to operate in a competitive consumable market. However, with an increasingly diversified portfolio of products, customers and suppliers and a proven ability to respond proactively and quickly, the group remains in an excellent position to continue delivering long term growth.

Future developments

The strategic objectives of the business are set by the GBUK Group Limited Board and remain focused on future growth, through expansion of both the group's product portfolio and its customer base.

This report was approved by the Board of Directors on 22 December 2021 and signed on behalf of the Board:



M J Geering

Director

GBUK Group Limited

Directors' report for the year ended 30 June 2021

The directors are pleased to present their report and the audited consolidated financial statements of the company and its group for the year to 30 June 2021.

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 year.

Results and dividends

The results of the group are shown in the consolidated statement of comprehensive income on page 11.

The directors report revenue of £60,671,000 for the year ended 30 June 2021, a decrease of 9.2% over comparable sales of £66,825,000 for the year ended 30 June 2020. Generating a Profit before income tax of £8,864,000 (2020: £11,953,000), a profit for the financial year of £7,202,000 (2020: £9,562,000) and a net surplus of £14,016,000 (2020: £19,172,000).

On 6 November 2020 the company bought back 6,057,199 preference shares at a total cost of £10,500,881, covering £6,057 of nominal value, £6,051,142 of original share premium and £4,443,682 of cumulative dividend. Further information on this can be found in note 22.

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 year and up to the date of signing these financial statements, unless otherwise indicated, are:

M C Thompson
M R Garbett
P V J Spiller
M J Geering
J D Cowan (appointed 1st July 2020)
P H L Kalverboer
G R R Dew
G R Mills

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 within the Strategic report and note 4.

GBUK Group Limited

Directors' report for the year ended 30 June 2021 (continued)

s.172 requirements

The Directors consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act) in the decisions taken during the year ended 30 June 2021.

Emissions and energy use

The directors report carbon dioxide emissions resulting from energy use in our buildings and employees' business travel, following the Greenhouse Gas Protocol, which incorporates the scope 2 market-based emission methodology.

In the year ended 30 June 2021, the group collected data for energy use at our single operating site and business travel for our UK based operations.

The group is committed to delivering strategic growth, whilst minimising its environmental impact. During the year, the group established an in-house Eco Team and introduced a new environmental management system (EMS), in the form of a structured set of processes and practices to enable the GBUK group to reduce its environmental impact, improve environmental performance and improve overall operating efficiency, in a systematic way.

With a new EMS and dedicated team promoting business wide initiatives, the group successfully achieved ISO 14001:2015 accreditation, following audits in March and July 2021 and demonstrated its environmental commitment and willingness to act responsibly.

Reporting environmental impact during the financial year, the group reduced CO2 Tonnes Per £m revenue to 2.85 from 4.83, through a combination of environmental awareness and CV-19 enforced restrictions on activity.

	2021	2021	2020	2020
Carbon dioxide emissions	Tonnes	Per £m revenue	Tonnes	Per £m revenue
From energy	54	0.89	57	0.85
From travel	119	1.96	266	3.98
Total	173	2.85	323	4.83
Energy consumption in kWh	246,517	4,063	234,416	3,508

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and the company financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Under company law, 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 company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;

GBUK Group Limited

Directors' report for the year ended 30 June 2021 (continued)

Statement of directors' responsibilities (continued)

- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

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

Indemnity

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

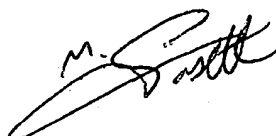
- any liability incurred by that officer in connection with any negligence, default, breach of duty or breach of trust in relation to the company;
- any other liability incurred by that officer as an officer of the company.

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.

Independent Auditors

PricewaterhouseCoopers LLP were appointed as independent auditors of the company on 14 April 2016, reappointed on the 21 September 2019 and will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

This report and the financial statements on pages 11 to 47 were approved by the Board of Directors on 22 December 2021 and signed by order of the Board:



M R Garbett

Company Secretary

GBUK Group Limited

Independent auditors' report to the members of GBUK Group Limited

Report on the audit of the financial statements

Opinion

In our opinion, GBUK Group Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 30 June 2021 and of the group's profit and the group's and company's cash flows for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and consolidated financial statements (the "Annual Report"), which comprise: Consolidated and company statements of financial position as at 30 June 2021; Consolidated statement of comprehensive income, the Consolidated and company statements of changes in equity and the Consolidated and company statements of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

GBUK Group Limited

Independent auditors' report to the members of GBUK Group Limited (continued)

Reporting on other information

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

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

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

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

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 30 June 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

GBUK Group Limited

Independent auditors' report to the members of GBUK Group Limited (continued)

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to tax legislation, employment regulations and health and safety legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions. Audit procedures performed by the engagement team included:

- Enquiring with management, and those charged with governance, to understand the relevant laws and regulations applicable to the group, their assessment of fraud related risks and consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Identifying and testing unusual journal entries, including entries posted with unusual account combinations;
- Challenging assumptions and judgements made by management in determining significant accounting estimates (because of the risk of management bias), including within the goodwill impairment assessment; and
- Reviewing financial statement disclosures and testing to supporting documentation, where appropriate, to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

GBUK Group Limited

Independent auditors' report to the members of GBUK Group Limited (continued)

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Andrew McIntosh (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
22 December 2021

GBUK Group Limited

Consolidated statement of comprehensive income for the year ended 30 June 2021

	Note	2021 £'000	2020 £'000
Continuing operations			
Revenue	5	60,671	66,825
Cost of sales	6	(39,096)	(39,817)
Gross profit		21,575	27,008
Selling and Distribution expenses	6	(4,354)	(4,591)
Administrative expenses	6	(4,595)	(5,717)
Depreciation and amortisation	6	(2,739)	(3,435)
Operating profit		9,887	13,265
Analysed as:			
Underlying Operating Profit		10,233	13,522
Management Fees	6	(252)	(257)
Exceptional items	10	(94)	-
		9,887	13,265
Finance costs	11	(1,023)	(1,312)
Profit before income tax		8,864	11,953
Income tax expense	12	(1,662)	(2,391)
Profit for the financial year		7,202	9,562
Other comprehensive (expense) / income:			
Items that may be subsequently reclassified to profit or loss			
Cash flow hedges	26	(1,958)	235
Income tax effect		359	(57)
Other comprehensive expense for the year, net of tax		(1,599)	178
Total comprehensive income for the year, net of tax		5,603	9,740

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 profit for the financial year was £12,408,000 (2020: Loss £1,676,000).

The notes on pages 17 to 47 are an integral part of these consolidated financial statements.

GBUK Group Limited

Consolidated and company statements of financial position as at 30 June 2021

Registered number 09458917

		Group	Company	Group	Company
		2021	2021	2020	2020
	Note	£'000	£'000	£'000	£'000
Assets					
Non-current assets					
Property, plant and equipment	13	1,347	121	1,371	-
Intangible assets	14	19,751	822	20,916	796
Right of use assets	15	550	-	866	-
Investments	16	-	36,238	-	36,238
Total non-current assets		21,648	37,181	23,153	37,034
Current assets					
Inventories	18	12,730	-	15,393	-
Current income tax asset		299	8	-	-
Trade and other receivables	19	7,189	6,302	16,623	59
Cash and cash equivalents	20	5,438	9	28,448	1,403
Total current assets		25,656	6,319	60,464	1,462
Total assets		47,304	43,500	83,617	38,496

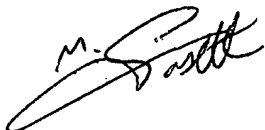
GBUK Group Limited

Consolidated and company statements of financial position as at 30 June 2021 (continued)

Registered number 09458917

		Group	Company	Group	Company
		2021	2021	2020	2020
	Note	£'000	£'000	£'000	£'000
Equity and liabilities					
Attributable to equity holders of the company					
Share capital	21/22	6	6	12	12
Share premium	21/22	352	352	354	354
Capital redemption reserve	22	14	14	8	8
Hedging reserve	26	(508)	-	1,091	-
Preference share dividend payable		1,292	1,292	4,992	4,992
Retained earnings / (Accumulated losses)		12,860	5,201	12,715	(150)
Total equity		14,016	6,865	19,172	5,216
Liabilities					
Non-current liabilities					
Bank borrowings	25	16,467	16,467	19,796	19,796
Lease Liabilities	24	169	-	447	-
Deferred income tax liabilities	27	557	2	1,380	-
Total non-current liabilities		17,193	16,469	21,623	19,796
Current liabilities					
Bank borrowings	25	2,500	2,500	3,000	3,000
Trade and other payables	23	13,139	17,666	39,172	10,484
Current income tax liability		-	-	150	-
Lease Liabilities	24	456	-	500	-
Total current liabilities		16,095	20,166	42,822	13,484
Total liabilities		33,288	36,635	64,445	33,280
Total equity and liabilities		47,304	43,500	83,617	38,496

The financial statements were authorised for issue by the Board of Directors on 22 December 2021 and were signed by order of the Board:



M R Garbett

Company Secretary

The notes on pages 17 to 47 are an integral part of these consolidated financial statements.

GBUK Group Limited

Consolidated and company statements of changes in equity for the year ended 30 June 2021

Group	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Hedging reserve £'000	Preference share dividend payable £'000	Retained earnings £'000	Total equity £'000
Balance at 1 July 2019	12	354	8	913	3,581	4,666	9,534
IFRS 16 adoption adjustment	-	-	-	-	-	(102)	(102)
Amended balance at 1 July 2019	12	354	8	913	3,581	4,564	9,432
Profit for the year	-	-	-	-	-	9,562	9,562
Other comprehensive income	-	-	-	178	-	-	178
Total comprehensive income	-	-	-	178	-	9,562	9,740
Preference shares dividend payable	-	-	-	-	1,411	(1,411)	-
Balance at 30 June 2020	12	354	8	1,091	4,992	12,715	19,172
Group	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Hedging reserve £'000	Preference share dividend payable £'000	Retained earnings £'000	Total equity £'000
Balance at 30 June 2020	12	354	8	1,091	4,992	12,715	19,172
Profit for the year	-	-	-	-	-	7,202	7,202
Other comprehensive income	-	-	-	(1,599)	-	-	(1,599)
Total comprehensive income	-	-	-	(1,599)	-	7,202	5,603
Preference shares dividend payable	-	-	-	-	724	(724)	-
Share buy-back (note 21/22)	(6)	(2)	6	-	(4,424)	(6,333)	(10,759)
Balance at 30 June 2021	6	352	14	(508)	1,292	12,860	14,016

GBUK Group Limited

Consolidated and company statements of changes in equity for the year ended 30 June 2021 (continued)

Company	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Hedging reserve £'000	Preference share dividend payable £'000	Retained earnings / (Accumulated losses) £'000	Total equity £'000
Balance at 1 July 2019	12	354	8	-	3,581	2,937	6,892
Loss for the year	-	-	-	-	-	(1,676)	(1,676)
Total comprehensive expense	-	-	-	-	-	(1,676)	(1,676)
Preference shares dividend payable	-	-	-	-	1,411	(1,411)	-
Balance at 30 June 2020	12	354	8	-	4,992	(150)	5,216
Company	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Hedging reserve £'000	Preference share dividend payable £'000	(Accumulated losses) / Retained earnings £'000	Total equity £'000
Balance at 1 July 2020	12	354	8	-	4,992	(150)	5,216
Profit for the year	-	-	-	-	-	12,408	12,408
Total comprehensive income	-	-	-	-	-	12,408	12,408
Preference shares dividend payable	-	-	-	-	724	(724)	-
Share buy-back (note 21/22)	(6)	(2)	6	-	(4,424)	(6,333)	(10,759)
Balance at 30 June 2021	6	352	14	-	1,292	5,201	6,865

The notes on pages 17 to 47 are an integral part of these consolidated financial statements.

GBUK Group Limited

Consolidated and company statements of cash flows for the year ended 30 June 2021

		Group	Company	Group	Company
		2021	2021	2020	2020
	Note	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Cash (used in) / generated from operations	28	(3,364)	440	33,756	4,384
Interest paid		(791)	(791)	(814)	(814)
Income tax paid		(2,477)	(10)	(3,448)	-
Net cash (used in) / generated from operating activities		(6,632)	(361)	29,494	3,570
Cash flows from investing activities					
Acquisition of subsidiaries	16	-	-	-	-
Purchase of property, plant and equipment	13	(393)	(134)	(747)	-
Purchase of intangible assets	14	(771)	(140)	(926)	(800)
Dividends received		-	14,000	-	-
Net cash used in investing activities		(1,164)	13,726	(1,673)	(800)
Cash flows from financing activities					
Leases capital payment	24	(428)	-	(418)	-
Leases interest payment	24	(27)	-	(27)	-
Purchase of ordinary shares	21	(258)	(258)	-	-
Repayment of preference shares	22	(10,501)	(10,501)	-	-
Deferred consideration repaid		-	-	(126)	(126)
Repayment of borrowings	25	(4,000)	(4,000)	(1,250)	(1,250)
Net cash used in financing activities		(15,214)	(14,759)	(1,821)	(1,376)
Net (decrease) / increase in cash and cash equivalents		(23,010)	(1,394)	26,000	1,394
Cash and cash equivalents at beginning of year		28,448	1,403	2,448	9
Cash and cash equivalents at end of year	20	5,438	9	28,448	1,403

The notes on pages 17 to 47 are an integral part of these consolidated financial statements.

GBUK Group Limited

Notes to the consolidated financial statements for the year ended 30 June 2021

1 General information

General information

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

GBUK Group Limited is a private company limited by shares, incorporated and domiciled in the United Kingdom. Its principal place of business is its registered office located at Woodland House, Blackwood Hall Business Park, North Duffield, 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 years presented.

Basis of preparation

The consolidated financial statements of GBUK Group Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) 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 judgements. 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 judgements 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 group'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 to creditors as the group is generating strong operating profits and cash and has appropriate financing facilities. As such, these financial statements have been prepared on the going concern basis.

GBUK Group Limited

Notes to the consolidated financial statements for the year ended 30 June 2021

2 Accounting policies (continued)

New and amended standards adopted by the group

The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 July 2020:

- Definition of Material – Amendments to IAS 1 and IAS 8;
- Definition of a Business – Amendments to IFRS 3;
- Interest Rate Benchmark Reform – Amendments to IFRS 9, IAS 39 and IFRS 7; and
- Revised Conceptual Framework for Financial Reporting.

The group also elected to adopt the following amendments early:

- Annual Improvements to IFRS Standards 2018-2020 Cycle

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods on foreseeable future transactions.

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

Notes to the consolidated financial statements for the year ended 30 June 2021

2 Accounting policies (continued)

Revenue

Revenue under IFRS 15 is recognised from the transfer of goods at a point in time when control of the goods transfers to the customer. This is considered to occur when the buyer can direct the use of the goods, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and there is no continuing management involved with the goods.

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 on a principle-based approach of when a customer obtains control of a goods or service and has the ability to direct the use and obtain the benefits from the goods or services. 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

Items that are material either because of their size, their nature, and are irregular, such as the acquisition costs of a business combination. Exceptional items are shown separately in the statement of comprehensive income 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 year 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.

GBUK Group Limited

Notes to the consolidated financial statements for the year ended 30 June 2021

2 Accounting policies (continued)

Current and deferred income tax (continued)

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.

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 are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

GBUK Group Limited

Notes to the consolidated financial statements for the year ended 30 June 2021

2 Accounting policies (continued)

Property, plant and equipment (continued)

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.

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

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) Development costs

Development costs are capitalised only after technical and commercial feasibility of the asset for sale or use has been established, and the asset will generate future economic benefits. 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.

(d) Customer relationships

Customer 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.

GBUK Group Limited

Notes to the consolidated financial statements for the year ended 30 June 2021

2 Accounting policies (continued)

Intangible assets (continued)

(e) 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.

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:

	Useful economic life	Valuation method
Intellectual property	10 years	Cost for acquired, Multiple of estimated reserves and profits for internally generated
Development costs	10 years	Cost
Customer relationships	7 years	Multi-Period Excess Earnings Method (MEEM)
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, including stock in transit, 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

Notes to the consolidated financial statements for the year ended 30 June 2021

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'.

Related party balances

Amounts due to or from subsidiary undertakings and amounts due between related parties that are 100% owned by GBUK Group Limited are all held interest free and repayable on demand. Amounts due to or from entities controlled by a director and shareholder of the company or with the ultimate parent undertaking are on standard commercial terms and repayable on demand.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables 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.

Trade payables includes the value of stock in transit, when the transfer of ownership and legal title has taken place.

GBUK Group Limited

Notes to the consolidated financial statements for the year ended 30 June 2021

2 Accounting policies (continued)

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.

Derivative financial instruments

The group uses derivative financial instruments, forward contracts, to hedge its foreign currency risks, based on a management policy objective of holding forward contracts to cover approximately 75% of expected foreign currency expenditure over the next eighteen months. The Group applies IFRS 9 Financial Instruments, initially recognising 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 and preference shares issued in prior years are classified as equity.

GBUK Group Limited

Notes to the consolidated financial statements for the year ended 30 June 2021

2 Accounting policies (continued)

Leases

Leases are presented with the recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts right-of-use assets as part of property, plant and equipment and the lease liabilities as other liabilities in the balance sheet. Depreciation on the right-of-use asset and interest on the financial liability are charged to the statement of comprehensive income on a straight-line basis over the period of the lease. The group does not have any leases classified as finance leases.

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

Notes to the consolidated financial statements for the year ended 30 June 2021

3 Critical accounting estimates and judgements

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.

Estimates

(a) 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.

(b) Relationships

Customer and Supplier relationships acquired in a business combination are recognised at fair value at the date of acquisition with an estimated useful life. 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.

GBUK Group Limited

Notes to the consolidated financial statements for the year ended 30 June 2021

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 SONIA+ interest rates to replace 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 generating strong operating profits and cash and has appropriate 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

Notes to the consolidated financial statements for the year ended 30 June 2021

4 Financial risk management (continued)

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, subject to available distributable reserves. No changes were made in the objectives, policies or processes during the year ended 30 June 2021. Capital consists of equity attributable to equity holders of the group, which amounted to a surplus of £14,016,000 as at 30 June 2021, with retained earnings of £12,860,000.

5 Revenue

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

GBUK Ltd supplies critical care and patient handling medical consumables

GBUK Enteral Limited supplies enteral feeding consumables and devices

GBUK Group Limited provides management services to the trading entities

Total revenue for the year ended 30 June 2021 was split between the trading entities as follows:

	2021	2020
Group	£'000	£'000
GBUK Ltd	31,282	35,086
GBUK Enteral Limited	29,389	31,739
Total	60,671	66,825

Total revenue for the year ended 30 June 2021 relates to revenue primarily originated in the United Kingdom.

	2021	2020
Group	£'000	£'000
United Kingdom	50,043	56,526
European Union	10,147	10,078
Rest of the World	481	221
Total	60,671	66,825

The revenue, profit for the year, 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

Notes to the consolidated financial statements for the year ended 30 June 2021

6 Expenses by nature

	2021	2020
	£'000	£'000
Cost of sales	39,096	39,817
Selling and distribution (net of remuneration & lease charges)	1,144	1,357
Employee benefit expense (note 8)	5,851	7,490
Depreciation and amortisation charges (notes 13 and 14)	2,352	3,092
Depreciation on right of use assets (note 15)	387	343
Rates	134	131
Legal and professional fees	284	150
Computer costs	226	190
Management fee	252	257
Auditors' remuneration (note 7)	177	95
Foreign exchange losses / (gains)	218	(23)
Other expenses	569	661
Total operating expenses	50,690	53,560

7 Auditors' remuneration

	2021	2020
	£'000	£'000
Fees payable to the company's auditors for the audit of the parent company and consolidated financial statements	29	21
Fees payable to the company's auditors for other services:		
- Audit of the company's subsidiaries	60	48
- Tax services for the group	48	26
- Transaction services (note 10)	40	-
	177	95

GBUK Group Limited

Notes to the consolidated financial statements for the year ended 30 June 2021

8 Employee benefit expense

	2021	2020
	£'000	£'000
Wages and salaries	4,864	6,536
Social security costs	744	761
Other pension costs	243	193
	5,851	7,490

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

	2021	2020
By activity	Number	Number
Administration	33	32
Research & Development	13	11
Sales	34	33
Warehouse	20	20
	100	96

9 Directors' remuneration

	2021	2020
Group	£'000	£'000
Aggregate remuneration (note 30)	825	1,975
Remuneration to highest paid director	200	516
Pension to highest paid director	10	13

Directors for 'GBUK group' companies received their remuneration in the year ended 30 June 2021 from the parent company GBUK Group Limited, with the exception of one director paid by subsidiary GBUK Ltd.

GBUK Group Limited

Notes to the consolidated financial statements for the year ended 30 June 2021

10 Exceptional items

The exceptional items during the year are detailed below:

	2021 £'000	2020 £'000
Group refinancing costs (note 22)	94	-

Exceptional costs in the year relate to refinancing by GBUK Group Limited including the repurchase of preference shares.

11 Finance costs

	2021 £'000	2020 £'000
Finance costs:		
Bank interest	(762)	(1,034)
Amortisation of bank debt fees	(199)	(199)
Finance charge on leases	(62)	(72)
Fair value movement on deferred consideration	-	(7)
Other interest	-	-
Finance costs	(1,023)	(1,312)
Finance income:		
Interest income on cash at bank	-	-
Finance income	-	-
Net finance costs	(1,023)	(1,312)

GBUK Group Limited

Notes to the consolidated financial statements for the year ended 30 June 2021

12 Income tax expense

	2021	2020
	£'000	£'000
Current tax:		
Current tax on profit for the year	2,085	2,766
Adjustments in respect of prior periods	41	(1)
Total current tax charge	2,126	2,765
Deferred tax:		
Origination and reversal of temporary differences	(366)	(451)
Adjustments in respect of prior periods	(98)	(90)
Impact of change in tax rate	-	167
Movement arising from the acquisition of business	-	-
Total deferred tax credit (note 27)	(464)	(374)
Total tax charge	1,662	2,391

Tax on the group's profit before tax differs from (2020: differs from) the theoretical amount that would arise using the standard tax rate applicable in the UK to profit of the consolidated entities as follows:

	2021	2020
	£'000	£'000
Profit before income tax	8,864	11,953
Tax calculated at the standard rate of corporation tax in the UK of 19.0% (2020: 19.0%)	1,684	2,271
Tax effects of:		
Adjustments in respect of prior periods	(57)	(90)
Tax rate changes	-	156
International taxes	-	50
Expenses not deductible for tax purposes	35	4
Income tax charge	1,662	2,391

Factors that may affect future tax charges are covered under note 27 on deferred income tax.

GBUK Group Limited

Notes to the consolidated financial statements for the year ended 30 June 2021

13 Property, plant and equipment

	Buildings	Plant and machinery	Furniture, fittings and equipment	Total
Group	£'000	£'000	£'000	£'000
At 1 July 2020	431	834	106	1,371
Additions	-	302	103	405
Disposals	-	(13)	-	(13)
Depreciation charge	(33)	(305)	(78)	(416)
Closing net book amount	398	818	131	1,347
At 30 June 2021				
Cost	646	1,654	862	3,162
Accumulated depreciation	(248)	(836)	(731)	(1,815)
Net book amount	398	818	131	1,347

Depreciation charge of £416,000 (2020: £373,000) has been charged in 'Depreciation and amortisation in the consolidated statement of comprehensive income.

	Buildings	Plant and machinery	Furniture, fittings and equipment	Total
Company	£'000	£'000	£'000	£'000
At 1 July 2020	-	-	-	-
Additions	-	134	-	134
Depreciation charge	-	(13)	-	(13)
Closing net book amount	-	121	-	121
At 30 June 2021				
Cost	-	134	-	134
Accumulated depreciation	-	(13)	-	(13)
Net book amount	-	121	-	121

GBUK Group Limited

Notes to the consolidated financial statements for the year ended 30 June 2021

14 Intangible assets

	Intellectual property	R&D	Customer relationships	Supplier relationships	Goodwill	Total
Group	£'000	£'000	£'000	£'000	£'000	£'000
At 1 July 2020	949	966	4,995	-	14,006	20,916
Additions	184	336	251	-	-	771
Amortisation charge	(148)	(107)	(1,681)	-	-	(1,936)
Closing net book amount	985	1,195	3,565	-	14,006	19,751
At 30 June 2021						
Cost	1,248	1,371	16,216	2,508	14,006	35,349
Accumulated amortisation charge	(263)	(176)	(12,651)	(2,508)	-	(15,598)
Closing net book amount	985	1,195	3,565	-	14,006	19,751

Amortisation and depreciation charge of £2,739,000 (2020: £3,435,000) has been charged in 'Depreciation and amortisation' in the consolidated statement of comprehensive income, including £1,936,000 (2020: £2,719,000) of Intangible asset amortisation, £416,000 (2020: £373,000) of Fixed asset depreciation and £387,000 (2020: £343,000) of Right of Use asset depreciation.

GBUK Group Limited

Notes to the consolidated financial statements for the year ended 30 June 2021

14 Intangible assets (continued)

	Intellectual property	R&D	Customer relationships	Supplier relationships	Goodwill	Total
Company	£'000	£'000	£'000	£'000	£'000	£'000
At 1 July 2020	590	206	-	-	-	796
Additions	73	67	-	-	-	140
Amortisation charge	(93)	(21)	-	-	-	(114)
Closing net book amount	570	252	-	-	-	822
At 30 June 2021						
Cost	663	277	-	-	-	940
Accumulated amortisation charge	(93)	(25)	-	-	-	(118)
Closing net book amount	570	252	-	-	-	822

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 2021.

The recoverable amount of goodwill with a carrying value of £14,006,000 as at 30 June 2021 was assessed based on a discounted cashflow valuation. The carrying value of goodwill comprises the GBUK Group Limited acquisition of trading entities GBUK Ltd and GBUK Enteral Limited on 13 November 2015 being £9,888,000, the acquisition of Intervene Group Limited on 12 September 2016 being £3,418,000 and the acquisition of R&J Medical Limited on 10 September 2018 being £700,000. The calculation used pre-tax cash flow projections for the combined group, now trading under GBUK Ltd and GBUK Enteral Limited, following the sale and transfer of business assets of Intervene Group Limited and R&J Medical Limited on 1 July 2018 and 1 July 2019 respectively, based on financial forecasts approved by management covering a five-year period. Cash flows beyond the five-year period reduced to an extrapolation rate of 1.0% growth.

GBUK Group Limited

Notes to the consolidated financial statements for the year ended 30 June 2021

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 is based on the group's weighted average cost of capital, adjusted to reflect the pre-tax discount rate for the combined group at 16.9%. A long-term increase in the weighted average cost of capital above 23.7%, without any other variations would have an effect on the discounted cash flows of the cash generating unit and then indicate a need for goodwill impairment.
- Growth rates used to extrapolate cash flows beyond the forecast period – rates are based on published industry research and long-range forecasts for country inflation rates. A reduction of long-term growth rates to negative growth rates would cause value in use to fall below the carrying value.
- Gross margin – gross margins are based on average values expected to June 2022. Decrease in demand can lead to a decline in the gross margin.

As of 30 June 2021, the group did not have any intangible assets with indefinite useful lives, and there being no indication of impairment, no annual impairment review of intangible assets has taken place.

15 Right of use assets

	Buildings	Plant and machinery	Furniture, fittings and equipment	Total
Group	£'000	£'000	£'000	£'000
At 1 July 2020	662	188	16	866
Additions	52	19	-	71
Depreciation charge	(316)	(61)	(10)	(387)
Closing net book amount	398	146	6	550
At 30 June 2021				
Cost	1,008	245	27	1,280
Accumulated depreciation	(610)	(99)	(21)	(730)
Net book amount	398	146	6	550

Lease depreciation charge of £387,000 (2020: £343,000) has been charged in 'Depreciation and amortisation' in the consolidated statement of comprehensive income.

GBUK Group Limited

Notes to the consolidated financial statements for the year ended 30 June 2021

16 Investments

Company	£'000
Shares in subsidiary undertakings	
At 30 June 2020 and 30 June 2021	36,238

The carrying value of investments comprises the GBUK Group Limited acquisition of trading entities GBUK Ltd and GBUK Enteral Limited on 13 November 2015 being £25,645,000, the acquisition of Intervene Group Limited on 12 September 2016 being £9,034,000, the acquisition of R&J Medical Limited on 10 September 2018 being £1,221,000 and the acquisition of Metis Design B.V. on 3 June 2019 being £338,000.

At 30 June 2021, the company's subsidiary undertakings were:

Name of undertaking	Percentage shareholding	Place of incorporation	Nature of business
GBUK Ltd	100%	United Kingdom	Supply of medical devices
GBUK Enteral Limited	100%	United Kingdom	Supply of medical devices
R&J Medical Limited	100%	Northern Ireland	Dormant
Intervene Group Limited	100%	United Kingdom	Dormant
Metis Design B.V.	100%	Netherlands	Dormant
Enteral UK Limited	100%	United Kingdom	Dormant
GB (UK) HC Limited*	100%	United Kingdom	Dormant
Quintal Healthcare Limited*	100%	United Kingdom	Dormant
Intervene Limited**	100%	United Kingdom	Dormant
Intervene Sales & Support Limited**	100%	United Kingdom	Dormant
Surety Devices Limited*	100%	United Kingdom	Dormant

*Indirectly held

** Indirectly held and exempt from the requirements of the UK Companies Act 2006 relating to the audit of individual financial statements by virtue of s479A of the act.

All undertakings with the exception of R&J Medical Limited and Metis Design B.V. share the parent company registered address of Woodland House, Blackwood Hall Business Park, North Duffield, Selby, YO8 5DD. R&J Medical Limited registered address is Marlborough House, 30 Victoria Street, Belfast, BT1 3GG. Metis Design B.V. registered address is Herikerbergweg 88, 1101 CM Amsterdam.

GBUK Group Limited

Notes to the consolidated financial statements for the year ended 30 June 2021

17 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.

18 Inventories

	Group	Company	Group	Company
	2021	2021	2020	2020
	£'000	£'000	£'000	£'000
Finished Goods	10,799	-	13,362	-
Stock in transit	1,931	-	2,031	-
Total inventories	12,730	-	15,393	-

The cost of inventories recognised is an expense and included in 'cost of sales' amounted to £39,096,000 (2020: £39,817,000).

GBUK Group Limited

Notes to the consolidated financial statements for the year ended 30 June 2021

19 Trade and other receivables

	Group 2021 £'000	Company 2021 £'000	Group 2020 £'000	Company 2020 £'000
Current				
Trade receivables	4,218	-	12,140	-
Other debtors	-	449	-	-
Other current financial assets	188	-	1,332	-
Amounts due from subsidiary undertakings	-	5,600	-	-
Prepayments and accrued income	2,783	253	3,151	59
Cash on deposit	-	-	-	-
Total trade and other receivables	7,189	6,302	16,623	59

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

Trade receivables

Trade receivables that are less than 3 months past due are not considered impaired. At 30 June 2021, trade receivables of £136,000 (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:

	Group 2021 £'000	Company 2021 £'000	Group 2020 £'000	Company 2020 £'000
3 – 6 months	113	-	138	-
Over 6 months	23	-	63	-
	136	-	201	-

As of 30 June 2021, none of the trade receivables (company £nil) were impaired and provided for in full. By the date the financial statements were signed 99.0% of the amounts due had been collected.

The carrying amounts of receivables are denominated in pound sterling.

20 Cash and cash equivalents

	Group 2021 £'000	Company 2021 £'000	Group 2020 £'000	Company 2020 £'000
Cash and cash equivalents	5,438	9	28,448	1,403

GBUK Group Limited

Notes to the consolidated financial statements for the year ended 30 June 2021

21 Ordinary Shares

Group and company	Number of shares	Share capital £	Share premium £	Total £
At 1 July 2019 and 30 June 2020	390,524	3,905	353,619	357,524
Share buy-back	(1,388)	(14)	(1,374)	(1,388)
At 30 June 2021	389,136	3,891	352,245	356,136

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.

On 31 January 2017, the company issued 1,333 ordinary C shares of £0.01 per share at par value.

On 27 May 2021 the company bought back 1,388 ordinary C shares of £0.01 per share at par value.

22 Preference Shares

Group and company	Number of shares £	Share capital £	Share premium £	Total £
At 1 July 2019 and 30 June 2020	8,030,608	8,031	-	8,031
Share buy-back	(6,057,199)	(6,057)	-	(6,057)
At 30 June 2021	1,973,409	1,974	-	1,974

On 13 November 2015 the company issued 11,950,000 preference shares at £0.001 per share par value and on 12 September 2016 the company issued 4,442,989 preference shares at £0.001 per share par value. The Preference Shares are not redeemable. A cumulative preferential dividend is compounded on the two issues at a rate of 12.5% and 11.0% respectively.

On 5 April 2019 the company bought back 8,362,201 preference shares at a total cost of £12,500,000, covering £8,362 of nominal value, £8,353,839 of original share premium and £4,137,799 of cumulative dividend. The capital reduction in preference shares was facilitated by a £9,000,000 dividend from GBUK Enteral Limited and the transfer of preference share premium to create distributable reserves as permitted by the Companies (Reduction reserves Capital) Order 2008 (SI 2008/1915) and resulted in the creation of a capital redemption reserve equal to the nominal value of £8,362.

GBUK Group Limited

Notes to the consolidated financial statements for the year ended 30 June 2021

22 Preference Shares (continued)

On 6 November 2020 the company bought back 6,057,199 preference shares at a total cost of £10,500,881, covering £6,057 of nominal value, £6,051,142 of original share premium and £4,443,682 of cumulative dividend. The capital reduction in preference shares was facilitated by a £14,000,000 dividend from GBUK Ltd paid as a return on capital to GBUK Group Limited and the transfer of preference share premium to increase distributable reserves as permitted by the Companies (Reduction reserves Capital) Order 2008 (SI 2008/1915) and resulted in an increase of the capital redemption reserve by the nominal value of £6,057 to bring the capital redemption reserve to a total of £14,419.

At the 30 June 2021 preference share accrued but unpaid cumulative dividend totalled £1,292,000 (2020: £4,992,000).

23 Trade and other payables

	Group 2021 £'000	Company 2021 £'000	Group 2020 £'000	Company 2020 £'000
Current				
Trade payables	3,878	252	5,015	96
Other creditors	4,183	-	27,592	4
Other current financial liabilities	820	-	-	-
Amounts due to subsidiary undertakings	-	17,195	-	7,976
Social security and other taxes	1,173	31	1,947	607
Accrued expenses	3,085	188	4,618	1,801
	13,139	17,666	39,172	10,484

Other Creditors includes £4,155,000 in Customer Prepayments in relation to a contract for the supply of syringes & needles. In line with the contract, at the date the financial statements were signed Customer Prepayments remained at £4,155,000.

GBUK Group Limited

Notes to the consolidated financial statements for the year ended 30 June 2021

24 Lease liabilities

Group	Buildings £'000	Plant and machinery £'000	Furniture, fittings and equipment £'000	Total £'000
At 1 July 2020	753	179	15	947
Additions	52	19	-	71
Finance charge	49	11	2	62
Payments	(395)	(52)	(8)	(455)
At 30 June 2021	459	157	9	625
Current portion	399	48	9	456
Non-current portion	60	109	-	169
At 30 June 2021	459	157	9	625

Finance charge on leases of £62,000 (2020: £72,000 has been charged in 'Finance costs' in the consolidated statement of comprehensive income).

25 Bank borrowings

	Group 2021 £'000	Company 2021 £'000	Group 2020 £'000	Company 2020 £'000
Non-current				
Bank borrowings	16,467	16,467	19,796	19,796
	Group 2021 £'000	Company 2021 £'000	Group 2020 £'000	Company 2020 £'000
Current				
Bank borrowings	2,500	2,500	3,000	3,000

(i) Borrowings

At the 30 June 2019 bank borrowings include 2015 loans of Term A maturing 30 June 2020 and bearing interest margin of 2.75%, and Term B maturing 30 November 2021 and bearing interest margin of 3.25%. Plus 2016 loans of Term C maturing 30 September 2021 and bearing interest margin of 2.75%, and Term D maturing 30 November 2021 and bearing interest margin of 3.25%.

On 5 April 2019 the company increased bank borrowings with the same lender from £13,606,000 to £25,000,000 to facilitate the buy-back of preference shares. This resulted in loans of Term A and Term B only, both maturing 5 April 2023 and bearing interest margin of 3.25% and 3.75% respectively.

Bank borrowings include secured liabilities of £23,145,000 (2020: £23,344,000), secured by way of a fixed and floating charge and net of borrowings fees £349,000 (2020: £548,000) which are being amortised over the life over the loans. Borrowing fees of £199,000 (2020: £199,000) were amortised in the year to 30 June 2021.

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

GBUK Group Limited

Notes to the consolidated financial statements for the year ended 30 June 2021

26 Hedging reserve

	Assets	Liabilities	Assets	Liabilities
	2021	2021	2020	2020
	£'000	£'000	£'000	£'000
Forward foreign exchange contracts – cash flow hedges	-	625	1,333	-
Income tax effect	-	(117)	(242)	-
Hedging reserve	-	508	1,091	-

At the year end, the group had contracted to purchase a total of £35,200,000 (2020: £26,965,000) 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 2021 based on the forward rates available for equivalent contracts at that date. The decrease in fair value of £1,958,000 (2020: £235,000 increase) 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 2021 was Level 2.

27 Deferred income tax liabilities

	Group	Company	Group	Company
	2021	2021	2020	2020
	£'000	£'000	£'000	£'000
Deferred tax assets				
Deferred tax asset to be recovered after more than 12 months	-	-	-	-
Deferred tax liabilities				
Deferred tax liability to be paid after more than 12 months	557	2	1,380	-
Deferred tax liability (net)	557	2	1,380	-

GBUK Group Limited

Notes to the consolidated financial statements for the year ended 30 June 2021

27 Deferred income tax liabilities (continued)

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 hedges	Fair value of acquired intangible assets	Total deferred tax liability
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 July 2020	-	-	(189)	(242)	(949)	(1,380)
Adjustment in respect of prior periods	-	-	98	-	-	98
Income tax charge (note 12)	-	-	47	-	319	366
Other comprehensive income tax charge	-	-	-	359	-	359
At 30 June 2021	-	-	(44)	117	(630)	(557)

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.

The deferred tax liability on acquired intangible assets relates to the GBUK Group Limited acquisition of trading entities GBUK Ltd and GBUK Enteral Limited on 13 November 2015 being £402,000, the acquisition of Intervene Group Limited on 12 September 2016 being £441,000 and the acquisition of R&J Medical Limited on 10 September 2018 being £106,000.

Factors affecting current and future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. At the balance sheet date, the proposal to increase the rate to 25% had been substantively enacted, therefore its impact has been considered on the financial statements.

However, it is likely that the overall effect of the change, which has been substantively enacted at the balance sheet date, is immaterial. The effect of the rate change would increase the tax credit for the year by £240k, increasing the deferred tax asset by £240k.

GBUK Group Limited

Notes to the consolidated financial statements for the year ended 30 June 2021

28 Cash (used in) / generated from operations

	Group 2021 £'000	Company 2021 £'000	Group 2020 £'000	Company 2020 £'000
Profit / (Loss) before income tax	8,864	12,411	11,953	(1,676)
<i>Adjustments for non-cash items:</i>				
Other comprehensive income	(1,598)	-	-	-
Tax adjustments for prior year	(98)	-	8	-
Depreciation (note 13 & 15)	803	-	716	-
Amortisation (note 14 & 25)	2,135	327	2,918	203
Income tax effect on cashflow hedges	(359)	-	-	-
Fair value movement on deferred consideration	-	-	7	7
Finance costs – net (note 11)	824	762	1,106	1,033
Dividend income	-	(14,000)	-	-
<i>Changes in working capital:</i>				
Decrease / (increase) in inventories	2,663	-	(6,394)	-
Decrease / (Increase) in trade and other receivables	9,435	(6,243)	(9,707)	(59)
(Decrease) / Increase in trade and other payables	(26,033)	7,183	33,149	4,876
Cash (used in) / generated from operations	(3,364)	440	33,756	4,384

29 Contingencies

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

At the year end, the group had contracted to purchase a total of £35,200,000 (2020: £26,965,000) 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

Notes to the consolidated financial statements for the year ended 30 June 2021

30 Related party disclosures

The following transactions were carried out with related parties:

(a) Purchase of services

	Group 2021 £'000	Company 2021 £'000	Group 2020 £'000	Company 2020 £'000
Entity controlled by a director and shareholder of the company	381	-	592	-
Ultimate parent undertaking	259	259	257	257

Services are charged on normal commercial terms and conditions.

(b) Year end balances arising from purchasing services

	Group 2021 £'000	Company 2021 £'000	Group 2020 £'000	Company 2020 £'000
Payables to related parties	-	-	5	-

(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:

	Group 2021 £'000	Company 2021 £'000	Group 2020 £'000	Company 2020 £'000
Salaries and other short-term employee benefits	781	781	1,931	1,931
Post-employment benefits	44	44	44	44
Total	825	825	1,975	1,975

d) Directors

	Group 2021 £'000	Company 2021 £'000	Group 2020 £'000	Company 2020 £'000
Aggregate remuneration	781	781	1,931	1,931
Company contributions to money purchase pension scheme	44	44	44	44
Total	825	825	1,975	1,975

GBUK Group Limited

Notes to the consolidated financial statements for the year ended 30 June 2021

31 Events after the balance sheet date

On 27 August 2021, the company acquired 100% of the share capital of Blue Box Medical Limited. The provisionally determined fair values of the assets and liabilities of Blue Box Medical Limited as at the date of acquisition are as follows.

	Blue Box August 2021 £'000
Net assets acquired	
Property, plant and equipment	3
Cash and cash equivalents	29
Trade and other receivables	276
Inventories	433
Trade and other payables	(386)
Current tax liabilities	(57)
Net assets identified	298
Customer relationships	712
Supplier Relationships	208
Deferred tax liability on intangibles acquired	(231)
Total identifiable net assets	987
Goodwill	841
Total	1,828
Satisfied by:	
Paid upon completion	1,128
Deferred consideration (paid within 15 months)	700
Total	1,828

Acquisition related costs of £126,000 (2021: £nil) will be charged to Exceptional Items in the consolidated income statement for the year ended 30 June 2022.

The goodwill is attributable to Blue Box Medical Limited's strong position and profitability in trading in medical devices and synergies expected to arise after the group's acquisition of the new subsidiary. None of the goodwill is expected to be deductible for tax purposes.

32 Ultimate controlling party

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