

Registered number: 11126560

**DIGITAL MEDICAL SUPPLY UK LIMITED**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**DIGITAL MEDICAL SUPPLY UK LIMITED**

**COMPANY INFORMATION**

<b>Directors</b>	F J J Abbou (resigned 4 November 2022) E G Hjelmstedt (resigned 4 November 2022) J H Schildt (resigned 4 November 2022) K Conneryd Lundgren (appointed 4 November 2022) S Von Euler-Chelpin (appointed 4 November 2022)
<b>Registered number</b>	11126560
<b>Registered office</b>	Capital Tower 91 Waterloo Road London SE1 8RT
<b>Independent auditor</b>	Cooper Parry Group Limited Statutory Auditor Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA

**DIGITAL MEDICAL SUPPLY UK LIMITED**

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## DIGITAL MEDICAL SUPPLY UK LIMITED

### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

#### Introduction

The principal activity of the Digital Medical Supply UK Limited is as a provider of healthcare services.

#### Business review

The global healthcare system continues to be under more pressure than ever owing to an ageing population, an increase in chronic illnesses and the repercussions of COVID-19, burnout in the labour force, and antiquated IT systems. The current macroeconomic landscape – including the ongoing conflict in Ukraine and the economic downturn – means that accessible and economically sustainable healthcare has never been more important.

2022 was a year with many rapid changes. A weakening of the global boom was noted early in the year, which was heavily impacted by the end of the COVID-19 pandemic in combination with the outbreak of war in Ukraine. The effects of the aforementioned changes had a major impact not only on the Kry group, but also on the economy as a whole around the world. It has been clear since early 2022 that the economy is moving toward a slump.

	Turnover	Gross Margin	%	Pre-Tax Loss	%
<b>2022</b>	23,399,823	4,890,242	20.9	(21,520,565)	(92.0)
<b>2021</b>	11,675,061	1,135,730	9.7	(12,149,860)	(104.1)

In 2022 revenue almost doubled vs 2021, the increase was mainly driven by launch of Practice service line which ramped up after quarter 1 2022 significantly. Practice business, based on hourly charges rather than event based, has been a more profitable business model, which improved gross margin by 11% year on year. The increase in pre-tax loss in 2022 was driven by an increase in operating expenditure mainly relating to an increase in people costs.

In 2023, through restructuring, costs have been reduced through the removal of high levels of senior personnel. The new structure moved to a handful of senior directors managing a wider more junior task force who are focused on execution. Significant cost saving and faster and more accurate decision making has been achieved this way.

## DIGITAL MEDICAL SUPPLY UK LIMITED

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

#### Principal risks and uncertainties

##### *Market risk*

Although the spread of COVID-19 was considerable in the company's current operating countries and despite the continued uncertainty around the future spread of the virus, the company feels that going forward, COVID-19 will not be regarded as a danger to society. The pandemic adversely affected finances in 2022, but is not expected to have a substantial direct adverse impact on the company's financial position or liquidity in future even though the macroeconomic effects of the pandemic cannot yet fully be foreseen.

The business-related operational risks are connected with the daily operations and comprise, for example, regulatory healthcare-based risks, legal risks including contract risks, and production risks. The operations give rise to property damage or personal injury. In addition, risks occur that are attributable to technology and development as well as IT and information security.

Given the company is part of a publicly funded care system, policy decisions that lead to changes in regulations and legislation can have a significant impact on the company as well as on all private companies in the healthcare sector.

##### *Liquidity risk*

The principal risk for the company is its liquidity risk. The risk is however addressed by the support committed by the wider group, with all liabilities of the company guaranteed by Kry International AB which has access to adequate resources to support the company moving forwards.

##### *Credit risk*

The company's principal financial assets are cash and trade debtors. The principal credit risk arises therefore from its trade debtors. In order to manage credit risk, the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed on a regular basis in conjunction with debt aging and collection history.


##### *Financial risk*

The company's principal financial instruments comprise operational bank accounts and an overdraft facility. The company has other financial assets and liabilities such as trade debtors and trade creditors which arise directly from its operations. The main purpose of these financial instruments is to provide finance for the company's operations. The company produces regular cash flow forecasts in order to manage this financial risk.

#### Financial key performance indicators

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover, gross margin and pre-tax profits.

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

DocuSigned by:  
  
2BCD86353FC14F7...  
**K Conneryd Lundgren**  
Director

Date: 29 September 2023 | 2:23 PM CEST

## **DIGITAL MEDICAL SUPPLY UK LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

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

#### **Directors' responsibilities statement**

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

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

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Results and dividends**

The loss for the year, after taxation, amounted to £21,520,565 (2021: loss £12,149,860).

The directors do not recommend payment of a dividend.

#### **Directors**

The directors who served during the year were:

K Conneryd Lundgren (appointed 4 November 2022)  
S Von Euler-Chelpin (appointed 4 November 2022)  
F J J Abbou (resigned 4 November 2022)  
E G Hjelmstedt (resigned 4 November 2022)  
J H Schildt (resigned 4 November 2022)

#### **Strategic report**

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's Strategic Report information required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 Schedule 7 to be contained in the directors' report.

**DIGITAL MEDICAL SUPPLY UK LIMITED**

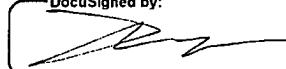
**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**Disclosure of information to auditor**

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

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

DocuSigned by:  
  
2BCD66353FC14F7...  
**K Conneryd Lundgren**  
Director

Date: 29 September 2023 | 2:23 PM CEST

## **DIGITAL MEDICAL SUPPLY UK LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DIGITAL MEDICAL SUPPLY UK LIMITED**

#### **Opinion**

We have audited the financial statements of Digital Medical Supply UK Limited (the 'company') for the year ended 31 December 2022, which comprise the profit and loss account, the balance sheet, the statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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



## **DIGITAL MEDICAL SUPPLY UK LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DIGITAL MEDICAL SUPPLY UK LIMITED (CONTINUED)**

#### **Other information**

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

We have nothing to report in this regard.

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

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

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

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

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

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **DIGITAL MEDICAL SUPPLY UK LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DIGITAL MEDICAL SUPPLY UK LIMITED (CONTINUED)**

#### **Auditor's responsibilities for the audit of the financial statements**

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

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.

Our assessment focused on key laws and regulations the company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the company and how the company is complying with that framework;
- obtaining an understanding of the company's policies and procedures and how the company has complied with these, through discussions and walkthrough testing;
- designing our audit procedures to respond to our risk assessment;
- performing audit testing over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- making enquires of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

In response to the risk of irregularities in relation to non-compliance with law and regularities, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying support documentation; All disclosures have been agreed to supporting documentation and referenced in the relevant lead schedules.
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with tax authorities.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

**DIGITAL MEDICAL SUPPLY UK LIMITED**

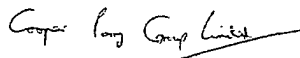
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DIGITAL MEDICAL SUPPLY UK LIMITED  
(CONTINUED)**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

**Use of our report**

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



Steven Ellis (Senior statutory auditor)

for and on behalf of  
**Cooper Parry Group Limited**

Statutory Auditor

Argosy Road  
East Midlands Airport  
Castle Donington  
Derby  
DE74 2SA

Date: 29 September 2023

## DIGITAL MEDICAL SUPPLY UK LIMITED

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>Turnover</b>	3	23,399,823	11,675,061
Cost of sales		(18,509,581)	(10,539,331)
<b>Gross profit</b>		<u>4,890,242</u>	<u>1,135,730</u>
Administrative expenses		(24,886,129)	(13,177,582)
Other operating income		60,913	-
<b>Operating loss</b>	5	<u>(19,934,974)</u>	<u>(12,041,852)</u>
Interest payable and similar expenses	8	(1,585,591)	(108,008)
<b>Loss on ordinary activities before taxation</b>		<u>(21,520,565)</u>	<u>(12,149,860)</u>
Taxation on loss on ordinary activities	9	-	-
<b>Loss for the financial year</b>		<u><u>(21,520,565)</u></u>	<u><u>(12,149,860)</u></u>

There were no recognised gains and losses for 2022 or 2021 other than those included in the profit and loss account.

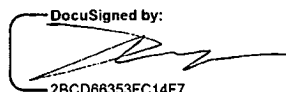
The notes on pages 12 to 22 form part of these financial statements.

**DIGITAL MEDICAL SUPPLY UK LIMITED**  
**REGISTERED NUMBER: 11126560**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	10	1,606,922	2,008,653
Tangible assets	11	1,161,012	814,443
Investments	12	533,544	533,544
		<u>3,301,478</u>	<u>3,356,640</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	13	-	90,000
Debtors: amounts falling due within one year	13	8,068,765	2,142,506
Cash at bank and in hand		1,453,026	1,398,066
		<u>9,521,791</u>	<u>3,630,572</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(5,084,242)</u>	<u>(4,114,960)</u>
<b>Net current assets/(liabilities)</b>		<u>4,437,549</u>	<u>(484,388)</u>
<b>Total assets less current liabilities</b>		<u>7,739,027</u>	<u>2,872,252</u>
<b>Creditors: amounts falling due after more than one year</b>	15	(51,730,779)	(25,343,439)
<b>Net liabilities</b>		<u>(43,991,752)</u>	<u>(22,471,187)</u>
<b>Capital and reserves</b>			
Called up share capital	16	1	1
Profit and loss account	17	(43,991,753)	(22,471,188)
<b>Shareholders' deficit</b>		<u>(43,991,752)</u>	<u>(22,471,187)</u>

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

DocuSigned by:  
  
 2BCD68353FC14F7...  
**K Conneryd Lundgren**  
 Director

Date: 29 September 2023 | 2:23 PM CEST

The notes on pages 12 to 22 form part of these financial statements.

**DIGITAL MEDICAL SUPPLY UK LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2022	1	(22,471,188)	(22,471,187)
Loss for the year	-	(21,520,565)	(21,520,565)
<b>At 31 December 2022</b>	<b>1</b>	<b>(43,991,753)</b>	<b>(43,991,752)</b>

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

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2022	1	(10,321,328)	(10,321,327)
Loss for the year	-	(12,149,860)	(12,149,860)
<b>At 31 December 2022</b>	<b>1</b>	<b>(22,471,188)</b>	<b>(22,471,187)</b>

The notes on pages 12 to 22 form part of these financial statements.

## **DIGITAL MEDICAL SUPPLY UK LIMITED**

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

#### **1. Accounting policies**

Digital Medical Supply UK Limited (the 'company') is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is disclosed on the company information page.

The financial statements are prepared in Sterling (£), which is the functional currency of the company. The financial statements are for the year ended 31 December 2022 (2021: year ended 31 December 2021).

##### **1.1 Basis of preparation of financial statements**

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies. The areas involving a higher degree of judgement or complexity where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The following principal accounting policies have been applied:

##### **1.2 Exemption from preparing consolidated financial statements**

The company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of a state other than the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

##### **1.3 Disclosure exemptions**

As permitted by FRS 102 section 1.12, the company has taken advantage of the disclosure exemptions available under the standard in relation to presentation of a cash flow and the aggregate remuneration of key management personnel. Where required, equivalent disclosures are given in the financial statements of KRY International AB which represents the smallest and largest group into which the results of Digital Medical Supply UK Limited are consolidated. The group financial statements for KRY International AB are publicly available and can be obtained as set out in note 20.

##### **1.4 Going concern**

The financial statements are prepared on a going concern basis. The company remains assured of the financial support provided by the ultimate parent company. The directors have received confirmation that the ultimate parent company will continue to support the company and provide it with adequate funds when necessary to enable it to meet its debts as they fall due for a period of at least twelve months from the date of these financial statements. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis.

## **DIGITAL MEDICAL SUPPLY UK LIMITED**

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

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

##### **1.5 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### **Rendering of services**

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with following conditions:

- the amount of revenue can be measured reliably; and
- it is probable that the company will receive the consideration due under the contract.

##### **1.6 Finance costs**

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

##### **1.7 Intangible assets**

Goodwill from the acquisition of trade and assets represents the difference between amounts paid over and above the acquirer's interest in the fair value of the trade and assets acquired. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the profit and loss account over its useful economic life of 5 years.

##### **1.8 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.



**DIGITAL MEDICAL SUPPLY UK LIMITED**

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

**1. Accounting policies (continued)**

**1.8 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- 1 year
Computer equipment	- 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

At each balance sheet date, the company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately in the profit and loss account.

**1.9 Foreign currency translation**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

**1.10 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**DIGITAL MEDICAL SUPPLY UK LIMITED**

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

**1. Accounting policies (continued)**

**1.11 Financial instruments**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors, and loans with related parties.

All financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

**1.12 Operating leases**

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

**1.13 Pensions**

**Defined contribution pension plan**

The company contributes to defined contribution plans for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plans are held separately from the company in independently administered funds.

**1.14 Current and deferred taxation**

The tax charge for the year comprises current and deferred tax.

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

## DIGITAL MEDICAL SUPPLY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**2. Judgements in applying accounting policies and key sources of estimation uncertainty**

The company makes estimates and assumptions concerning the future. Management are also required to exercise judgement in the process of applying the company's accounting policies. 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 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 year are addressed below.

**Intangible assets**

The directors of the company establish a reliable estimate of the useful life of intangible assets. This estimate is based on a variety of factors such as the expected use of the asset, the expected useful life of the cash generating units to which the intangible is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Significant judgement is involved in the process of identifying and evaluating intangible assets. Intangible assets with a finite life are reviewed for impairment when an impairment trigger is identified. Calculating any subsequent impairment, principally in the estimation of the future cash flows of the cash generating units and the discount rate applied to each cash generating unit involves judgement.

**3. Turnover**

The whole of the turnover is attributable to the company's principal activity.

All turnover arose within the United Kingdom.

**4. Other operating income**

	2022 £	2021 £
Research and development expenditure credit	60,913	-

**5. Operating loss**

The operating loss is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	539,616	406,639
Foreign exchange losses	858,111	397,504
Other operating lease rentals	667,192	608,535
Fees payable to the company's auditor for the audit of the company's annual accounts	21,775	19,000

## DIGITAL MEDICAL SUPPLY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**6. Employees**

Staff costs were as follows:

	2022 £	2021 £
Wages and salaries	23,778,486	12,002,555
Social security costs	2,799,924	1,267,775
Defined contribution pension costs	776,577	342,280
	<u>27,354,987</u>	<u>13,612,610</u>

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

	2022 No.	2021 No.
Administrative	291	155
Healthcare professionals	249	178
	<u>540</u>	<u>333</u>

**7. Directors' remuneration**

The directors are also directors of other group undertakings. The directors' remuneration was paid by these undertakings. The directors do not believe that it is practical to apportion this amount between their services as directors of the company and their services as directors of the fellow undertakings.

**8. Interest payable and similar expenses**

	2022 £	2021 £
Loans from group undertakings	<u>1,585,591</u>	<u>108,008</u>

**9. Taxation**

	2022 £	2021 £
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>

## DIGITAL MEDICAL SUPPLY UK LIMITED

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

## 9. Taxation (continued)

## Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £	2021 £
Loss on ordinary activities before tax	(21,520,565)	(12,149,860)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	(4,088,907)	(2,308,473)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	-	10,951
Fixed asset differences	(50,512)	(21,656)
Group relief surrendered	-	27,009
Income not deductible for tax purposes	(11,574)	-
Remeasurement of deferred tax for changes in tax rates	(1,310,840)	(1,334,220)
Movement in deferred tax not recognised	5,461,833	3,604,675
Other differences	-	21,714
<b>Total tax charge for the year</b>	<b>-</b>	<b>-</b>

## Factors that may affect future tax charges

On 3 March 2021, the Chancellor of the Exchequer announced that the corporation tax rate would increase to a maximum of 25% from 1 April 2023. This was substantively enacted on 24 May 2021.

At 31 December 2022, the company had tax losses carried forward of £44,844,019.

The company has an unrecognised deferred tax asset of £11,021,184 (2021: £5,559,250).

## DIGITAL MEDICAL SUPPLY UK LIMITED

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

## 10. Intangible assets

	Goodwill £
<b>Cost</b>	
At 1 January 2022	2,008,653
At 31 December 2022	<u>2,008,653</u>
<b>Amortisation</b>	
Charge for the year	401,731
At 31 December 2022	<u>401,731</u>
<b>Net book value</b>	
At 31 December 2022	<u>1,606,922</u>
At 31 December 2021	<u>2,008,653</u>

## 11. Tangible fixed assets

	Leasehold improvements £	Computer equipment £	Total £
<b>Cost</b>			
At 1 January 2022	152,368	1,307,059	1,459,427
Additions	-	886,185	886,185
At 31 December 2022	<u>152,368</u>	<u>2,193,244</u>	<u>2,345,612</u>
<b>Depreciation</b>			
At 1 January 2022	152,368	492,616	644,984
Charge for the year	-	539,616	539,616
At 31 December 2022	<u>152,368</u>	<u>1,032,232</u>	<u>1,184,600</u>
<b>Net book value</b>			
At 31 December 2022	<u>-</u>	<u>1,161,012</u>	<u>1,161,012</u>
At 31 December 2021	<u>-</u>	<u>814,443</u>	<u>814,443</u>

## DIGITAL MEDICAL SUPPLY UK LIMITED

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

## 12. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 January 2022	533,544
At 31 December 2022	<u>533,544</u>

## Subsidiary undertaking

The following was a subsidiary undertaking of the company:

Name	Class of shares	Holding
Vix Digital Ltd	Ordinary	100%

The registered office of Vix Digital Ltd is New Media Centre, Old Road, Warrington, WA4 1AT.

## 13. Debtors

	2022 £	2021 £
<b>Due after more than one year</b>		
Other debtors	-	90,000
	<u>-</u>	<u>90,000</u>
	2022 £	2021 £
<b>Due within one year</b>		
Trade debtors	5,156,422	1,199,928
Amounts owed by group undertakings	100,000	-
Other debtors	334,615	15,077
Prepayments and accrued income	2,416,815	927,501
Tax recoverable	60,913	-
	<u>8,068,765</u>	<u>2,142,506</u>

## DIGITAL MEDICAL SUPPLY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**14. Creditors: Amounts falling due within one year**

	2022 £	2021 £
Trade creditors	57,451	132,720
Amounts owed to group undertakings	500,000	-
Other taxation and social security	1,171,676	566,505
Other creditors	1,050,056	1,520,227
Accruals and deferred income	2,305,059	1,895,508
	<u>5,084,242</u>	<u>4,114,960</u>

**15. Creditors: Amounts falling due after more than one year**

	2022 £	2021 £
Amounts owed to group undertakings	<u>51,730,779</u>	<u>25,343,439</u>

Amounts owed to group undertakings are unsecured, bear interest at 3m EURIBOR +1% and are repayable after more than one year.

**16. Share capital**

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
1 (2021: 1) Ordinary share share of £1	<u>1</u>	<u>1</u>

**17. Reserves****Share capital**

Represents the nominal value of shares that have been issued.

**Profit and loss account**

The profit and loss account represents accumulated profit and losses for the year and prior periods less dividends paid.

**18. Pension commitments**

The company contributes to defined contribution pension scheme plans for its employees. The assets of the plans are held separately from those of the company in an independently administered fund. At the balance sheet date the amount payable to the plans was £119,682 (2021: £168,345). This amount is included within other creditors.



## DIGITAL MEDICAL SUPPLY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**19. Commitments under operating leases**

At 31 December 2022 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	165,857	663,428
Later than 1 year and not later than 5 years	-	165,857
	<u>165,857</u>	<u>829,285</u>

**20. Related party transactions**

As the company is a subsidiary of a company whose consolidated accounts include the results of this company and are publicly available, the company has taken advantage of the FRS102 section 33.1A exemption from disclosing transactions with group undertakings.

**21. Controlling party**

The immediate parent company is Digital Medical Sweden AB, a company incorporated in Sweden.

The ultimate controlling party is KRY International AB, a company incorporated in Sweden. KRY International AB is the smallest and largest group company which prepares consolidated accounts. The consolidated accounts can be obtained from the company's registered office: Torsgatan 21, 113 21 Stockholm.