Company Registration No. 11710444 (England and Wales)

PMH TOPCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2021

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PMH TOPCO LIMITED

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PMH TOPCO LIMITED

COMPANY INFORMATION

Directors	J Hart P Morton
Company number	11710444
Registered office	Warwick House 25-27 Buckingham Palace Road London SW1W 0PP
Accountants	RSM UK Tax and Accounting Limited 5^{th} Floor Central Square 29 Wellington Street Leeds LS1 4DL
Independent Auditors	PricewaterhouseCoopers LLP Central Square 29 Wellington Street Leeds LS1 4DL

PMH TOPCO LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2021

The directors present their Strategic Report for PMH Topco Limited ("the company") and its subsidiaries (together "the group") for the year ended 30 November 2021.

Business review and future developments
The group's turnover for the period was £69.6m (2020: £53.5m) and group net operating profit was £5.2m (2020: £0.4m), after amortisation of intangible assets of £3.0m (2020: £2.3m). At the statement of financial position date, the group showed net liabilities of £14.0m (2020: £12.9m). The directors are satisfied with the performance of the group and the work done to achieve post-acquisition synergistic benefits from the acquisitions carried out in the current and prior period.

PMH Topco Limited, through its wholly owned subsidiary Prism Medical Healthcare Limited, acquired the entire share capital of Repacq Investments Limited including its subsidiary Repose Furniture Limited on 18 January 2021. The principal activity of Repose Furniture Limited is the manufacture and distribution of bespoke healthcare and riser recliner chairs.

During the year ended 30 November 2021, £1.3m (2020: £1.6m) of one-off non-recurring costs in relation to costs and inefficiencies relating to the Covid-19 pandemic, re-organisation costs and costs incurred to achieve post-acquisition synergies were incurred and are included in reported net operating profit.

Future developments
The group continues to be focused on growing the business organically through new contract wins and has continued to be successful in winning new contracts, the full benefits of which are expected to come through in the next financial year. Orders remained strong throughout the year with the conversion of these orders being a priority for the group.

Opportunities to acquire companies that meet the overall group strategy will continue to be considered as the group moves forward into the future.

The group has also signed a new lease for an office and manufacturing facility for one of its subsidiaries, Repose Furniture Limited, allowing the company to increase its output to meet current demand and further contribute to the group's growth targets

Key performance indicators
The group's key performance indicators include, but are not limited to, revenues, gross and operating profit margins, earnings before interest, tax depreciation and amortisation (EBITDA).

	2021	2020
Turnover (£m)	69.6	53.5
Gross Margin %	37.2	33.2
EBITDA before non-recurring costs (£m)	12.6	7.8

Reconciliation of operating profit to EBITDA	**2021** **£m**	**2020** **£m**
Net operating profit	5.2	0.4
Add back/(deduct):		
Depreciation of property, plant and equipment	1.0	1.4
Depreciation of right-of-use assets	1.6	1.7
Amortisation of intangible assets	3.0	2.0
Non-recurring business combination transaction costs	0.2	0.5
Other non-recurring costs	1.3	1.6
Share based payment charge	0.3	0.2
EBITDA before non-recurring costs	12.6	7.8

The group also uses cash generation and working capital levels in its principal trading subsidiaries.

Principal risks and uncertainties
The principal risks facing the group are:
- a withdrawal or reduction in the level of government and local authority funding in relation to social care;
- local authorities focusing tenders more on price rather than on quality and service; and
- a major failure in the group's manufacturing site in North Wales.

To mitigate these risks, the group is seeking to broaden its range of products, introduce lower cost variants, develop a private pay market, and implement a robust business continuity plan. The group is not at any major risk to the loss of any one customer or contract given the breadth of its customer base.

Directors' section 172 statement
The directors are committed to maintaining high standards of business conduct and governance. Decisions taken by the board are supported by working papers including monthly reporting, financial impact forecasts, non-financial analysis, and advice from professional advisers where appropriate. This information and the impact on the wider stakeholders of the group is considered in reaching decisions which best promote the long-term success of the group.

The group operates via subsidiaries in various locations and markets. Subsidiary directors also consider stakeholders at a local level. The following stakeholder groups according to Section 172 (1) Companies Act 2006 were identified as the most relevant for PMH Topco Limited and its subsidiaries.

Workforce
The directors consider the interests of its employees in all major decisions and aim to ensure the workforce is aligned to the objectives and values of the business. The group welcomes feedback and ideas from its employees and where appropriate these are reviewed, and actions taken as a result.

Suppliers and customers
Suppliers are a critical link to the overall supply chain. Management encourage and maintain strong working relationships with the group's suppliers. The group works with key suppliers to review working practices, products, financial stability, and viability with two-way engagement to improve performance.

There is regular communication with customers to discuss all matters of business and service performance with the aim of developing relationships, promoting continuous improvement, and creating business opportunities.

Community and environment
The group takes its responsibility within the community and the wider environment seriously. The group has policies to manage and monitor its impact on the environment.

On behalf of the Board

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J Hart
Director

Date: 23/12/2022

The directors present their Directors' Report and audited financial statements of the group for PMH Topco Limited ("the company") and its subsidiaries (together "the group") for the year ended 30 November 2021.

These are the first published financial statements of the group prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the United Kingdom. The financial statements were previously prepared under Financial Reporting Standard FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Details of the impact of the transition are given in note 39 to the financial statements.

Principal activities

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

The principal activity of the group during the year was the manufacture and supply of lifting, handling, and bathing products that safely and efficiently allow the mobility impaired to be moved, transferred and handled from one location to another.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M A Caldeira	(resigned 28 February 2022)
J G Rosa	(resigned 28 February 2022)
J Hart	(appointed 28 February 2022)
P Morton	(appointed 28 February 2022)

Results and dividends

The results for the year are set out on page 11.

No ordinary dividends were paid. The Directors do not recommend payment of a final dividend.

Qualifying third party indemnity provisions

The group has indemnified all directors of the group against liability in respect of proceedings brought by third parties, subject to conditions set out in the Companies Act 2006 in the year and up to the date of the approval of these financial statements.

Financial instruments

Financial risk management

The group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk which it manages as follows:

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group uses a mix of long-term and short-term debt finance.

Credit risk

The group's principal financial assets are bank balances and cash, trade and other receivables, investments.

The group has no significant credit risk, with exposure spread over a large number of counterparties and customers.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The group assesses the credit ratings of these counterparties on a frequent basis to ensure that any potential credit risk is mitigated.

Financial instruments (continued)

Cashflow risk

The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. Interest bearing liabilities are a mixture of fixed and floating rate, where the group mitigates the exposure through cash flow hedging.

Disabled persons

The group is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The group gives full and fair consideration to applications for employment of disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the group. If members of staff become disabled the group continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

Employee involvement

The group systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the group is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the group plays a major role in maintaining its performance. The group encourages the involvement of employee's by means of regular management team briefings, publishing an employee newsletter, regular training and feedback sessions and employee suggestion schemes.

Independent auditor

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditors of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditors of the company is aware of that information.

Matters covered in the strategic report

Certain matters required to be included in the Directors' Report have been included in the Strategic Report, namely the discussion of the future developments of the group.

Going concern

The directors have reviewed the trading position of the Prism Group (Prism Healthcare Topco Limited and its subsidiaries) and its business risks, including the known and potential impacts on the business of the economic uncertainty caused by the Covid-19 global pandemic, Brexit, the war in Ukraine and cost inflation. As part of that review the directors have prepared profit and cash flow forecasts for a period of 12 months from the date of approval of these financial statements, including considering a severe but plausible downside case, to assess whether the business will have access to sufficient liquidity over that period and will be in compliance with the covenants attached to the group's external debt.

On the basis of their review, management has concluded that the group will have access to sufficient liquidity to fund its operations for at least one year from the approval date of these financial statements and accordingly, the going concern basis of preparation of the financial statements is reasonable and no material uncertainty exists.

PMH TOPCO LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

Events after the reporting date

On 20 January 2022, the group refinanced its existing debt facilities and repaid to HSBC all amounts owing under the Senior and Revolving Facilities Agreement. The group subsequently entered into a £90m Senior and Revolving Facilities Agreement. The agreement provides the group access to draw down on a £25m Committed Acquisition Facility and a £5m Revolving Working Capital Facility to meet its funding requirements.

On 28 February 2022 Limerston Capital LLP FCA, which owns the ultimate parent company PMH Topco Limited, sold the majority of its investment in the group to Charme Capital Partners.

Streamlined energy and carbon reporting

In this section of this report:

- "DEFRA" means the Department for Environment, Food and Rural Affairs;
- "kWh" means kilowatt hours; and
- "tCO2e" means tonnes of carbon dioxide equivalent

	2021	2020
The annual quantity of emissions in tCO2e resulting from activities for which the group was responsible involving (i) the combustion of gas or (ii) the consumption of fuel for the purposes of transport	1,139	900
The annual quantity of emissions in tCO2e resulting from the purchase of electricity by the group for its own use	499	452
The annual quantity of energy consumed in kWh from activities in the UK for which the group is responsible involving the combustion of gas and the annual quantity of energy consumed in kWh resulting from the purchase of electricity by the group for its own use in the UK	3,113,162	2,430,887
The group's annual emissions: ratio of tCO2e per £million of revenue	23.5:1	25.3:1

The following methodologies were used to calculate the above quantities:

- the kWh consumption figures relevant to gas and electricity were taken from invoices received by the group and then converted to tCO2e figures using the then current conversion factors published by DEFRA;
- the consumption figures relevant to transport were calculated using expensed mileage figures and estimates of mileage based on historical mileage levels where mileage records were not available, which were then converted to tCO2e for company cars following the guidelines issued by DEFRA.

On behalf of the Board

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J Hart

Director

Date: 23/12/2022

PMH TOPCO LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2021

The directors are responsible for preparing the annual 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 prepared the group and 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 the 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;
- 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 the 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 the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006.

Independent auditors' report to the members of PMH Topco Limited

Report on the audit of the financial statements

Opinion

In our opinion, PMH Topco 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 November 2021 and of the group's loss 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 Annual Report and Financial Statements (the "Annual Report"), which comprise: the group and company statements of financial position as at 30 November 2021; the group income statement, the group and company statements of changes in equity and the group 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.

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.

Independent auditor's report to the members of PMH Topco Limited (continued)

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.

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 November 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

As explained more fully in the directors' responsibilities statement, 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.

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 health and safety regulations, 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 UK tax legislation and the Companies Act 2006.

Independent auditors' report to the members of PMH Topco Limited (continued)

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 and management bias through judgements and assumptions in significant accounting estimates. Audit procedures performed by the engagement team included:

- discussions with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- evaluation of management's controls designed to prevent and detect fraudulent financial reporting;
- challenging the assumptions and judgements applied by management in determining their significant accounting estimates, in particular in relation to provisioning;
- identifying and testing journal entries using a risk-based targeting approach for unexpected account combinations; 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.

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.

T Yeates

Tom Yeates (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
23 December 2022

PMH TOPCO LIMITED

GROUP INCOME STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2021

	Notes	2021 £	2020 (restated*) £
Revenue	3	69,565,246	53,493,431
Cost of sales	4	(43,656,309)	(35,708,954)
Gross profit		**25,908,937**	**17,784,477**
Administrative expenses	4	(13,062,390)	(11,242,088)
Distribution costs	4	(7,675,065)	(6,984,505)
Other operating income	5	26,406	795,661
Net operating profit		**5,197,888**	**353,545**
Finance income	9	-	201
Finance costs	10	(6,957,313)	(6,147,828)
Loss before taxation		**(1,759,425)**	**(5,794,082)**
Taxation	11	(1,229,468)	471,427
Loss for the year		**(2,988,893)**	**(5,322,655)**
Loss for the financial year is attributable to:			
- Owners of the parent company		(2,485,141)	(4,460,414)
- Non-controlling interests		(503,752)	(862,241)
		(2,988,893)	**(5,322,655)**

There were no items of other comprehensive income in the current or prior year. Accordingly, no statement of other comprehensive income has been prepared.

* Finance costs has been restated. See note 40 for further details.

PMH TOPCO LIMITED

GROUP AND COMPANY STATEMENTS OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2021

	Notes	Group 30 November 2021 £	Group 30 November 2020 (restated*) £	Group 1 December 2019 (restated*) £	Company 30 November 2021 £	Company 30 November 2020 (restated*) £	Company 1 December 2019 (restated*) £
Assets							
Non-current							
Goodwill	12	49,552,691	41,311,112	35,377,959	-	-	-
Other intangible assets	12	19,043,197	15,975,248	11,741,594	-	-	-
Investments	14	-	-	-	846,705	846,705	846,705
Property, plant and equipment	13	2,449,111	2,605,051	2,602,540	-	-	-
Right-of-use assets	13	4,899,890	5,783,809	2,707,147	-	-	-
Trade and other receivables	18	-	-	-	57,792,195	44,830,445	35,562,700
		75,944,889	**65,675,220**	**52,429,240**	**58,638,900**	**45,677,150**	**36,409,405**
Current							
Inventories	17	9,493,177	6,907,384	5,024,348	-	-	-
Trade and other receivables	18	15,199,774	11,565,777	10,605,712	1,014,000	1,343,550	1,343,550
Cash and cash equivalents	25	4,323,837	2,723,491	914,780	3,357	9,309	67
		29,016,788	**21,196,652**	**16,544,840**	**1,017,357**	**1,352,859**	**1,343,617**
Total assets		**104,961,677**	**86,871,872**	**68,974,080**	**59,656,257**	**47,030,009**	**37,753,022**
Current liabilities							
Trade and other payables	19	(31,750,903)	(19,458,906)	(12,019,339)	(14,642,778)	(5,653,213)	(35,000)
Current tax payable		(866,959)	(488,382)	(393,261)	(134,900)	(329,550)	(329,550)
Net current (liabilities)/assets		**(3,601,074)**	**1,249,364**	**4,132,240**	**(13,760,321)**	**(4,629,904)**	**979,067**
Non-current liabilities							
Trade and other payables	20	(18,895,608)	(11,343,470)	(4,977,606)	(9,773,645)	(2,851,089)	(2,356,594)
Borrowings	20	(63,255,392)	(65,265,420)	(58,239,940)	(32,979,716)	(35,981,519)	(33,305,861)
Provisions	23	(200,000)	(310,842)	(318,561)	-	-	-
Deferred tax liabilities	24	(3,976,810)	(2,904,506)	(2,207,833)	-	-	-
Total liabilities		**(118,945,672)**	**(99,771,526)**	**(78,156,540)**	**(57,531,039)**	**(44,815,371)**	**(36,027,005)**
Net (liabilities)/assets		**(13,983,995)**	**(12,899,654)**	**(9,182,460)**	**2,125,218**	**2,214,638**	**1,726,017**
Equity							
Issued share capital	29	834,205	834,205	834,205	834,205	834,205	834,205
(Accumulated losses)/retained earnings	30	(11,082,393)	(9,075,662)	(4,815,176)	1,291,013	1,380,433	891,812
Equity attributable to owners of the parent		**(10,248,188)**	**(8,241,457)**	**(3,980,971)**	**2,125,218**	**2,214,638**	**1,726,017**
Non-controlling interest		(3,735,807)	(4,658,197)	(5,201,489)	-	-	-
Total equity		**(13,983,995)**	**(12,899,654)**	**(9,182,460)**	**2,125,218**	**2,214,638**	**1,726,017**

* (Accumulated losses)/retained earnings, certain liabilities, property, plant and equipment and other intangible assets have been restated. See note 40 for further details.

PMH TOPCO LIMITED

GROUP AND COMPANY STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT 30 NOVEMBER 2021

The notes on pages 18 to 58 form an integral part of these Financial Statements.

As permitted by s408 of the Companies Act 2006, PMH *Topco Limited has not presented its own income statement.* The loss for the financial year within the financial statements of the holding company was £89,420 (2020 restated profit: £488,621)

The financial statements of PMH Topco Limited (registered number 11710444) on pages 11 to 58 were approved by the Board and authorised for issue on 23/12/2021

On behalf of the Board

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J Hart

Director

PMH TOPCO LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 NOVEMBER 2021

	Notes	Issued share capital £	Accumulated losses £	Equity attributable to owners of the parent £	Equity attributable to non-controlling interest £	Total equity £
Balance at 1 December 2019 (as previously reported)		834,205	(5,650,131)	(4,815,926)	(5,201,489)	(10,017,415)
Impact of prior year restatement	**40**	-	*834,955*	*834,955*	-	*834,955*
Balance at 1 December 2019 (restated*)		**834,205**	**(4,815,176)**	**(3,980,971)**	**(5,201,489)**	**(9,182,460)**
Loss and total comprehensive expense for the year (as previously reported)		-	(4,560,278)	(4,560,278)	(866,580)	(5,426,858)
Impact of prior year restatement	**40**	-	*99,864*	*99,864*	*4,339*	*104,203*
Loss and total comprehensive expense for the year (restated*)		-	(4,460,414)	(4,460,414)	(862,241)	(5,322,655)
Acquisition of subsidiary		-	-	-	1,405,533	1,405,533
Credit to equity for equity settled share-based payments	**7**	-	199,928	199,928	-	199,928
Balance at 30 November 2020 (restated*)		**834,205**	**(9,075,662)**	**(8,241,457)**	**(4,658,197)**	**(12,899,654)**
Loss and total comprehensive expense for the year		-	(2,485,141)	(2,485,141)	(503,752)	(2,988,893)
Acquisition of subsidiary	**31**	-	-	-	1,426,142	1,426,142
Credit to equity for equity settled share-based payments	**7**	-	252,235	252,235	-	252,235
Deferred tax credit in relation to share-based payments	**24**	-	226,175	226,175	-	226,175
Balance at 30 November 2021		**834,205**	**(11,082,393)**	**(10,248,188)**	**(3,735,807)**	**(13,983,995)**

* Equity brought forward and loss and total comprehensive expense has been restated. See note 40 for further details.

PMH TOPCO LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 NOVEMBER 2021

	Notes	Issued share capital £	Retained earnings £	Total equity £
Balance at 1 December 2019 (as previously reported)		834,205	56,857	891,062
Impact of prior year restatement	**40**	-	834,955	834,955
Balance at 1 December 2019 (restated*)		**834,205**	***891,812***	**1,726,017**
Year ended 30 November 2020:				
Profit for the year (as previously reported)		-	410,586	410,586
Impact of prior year restatement	**40**	-	78,035	78,035
Profit for the year (restated*)		-	488,621	488,621
Balance at 30 November 2020 (as previously reported)		834,205	467,443	1,301,648
Impact of prior year restatement	**40**	-	912,990	912,990
Balance at 30 November 2020 (restated*)		**834,205**	**1,380,433**	**2,214,638**
Year ended 30 November 2021:				
Loss for the year		-	(89,420)	(89,420)
Balance at 30 November 2021		**834,205**	**1,291,013**	**2,125,218**

* Equity brought forward and profit for the year has been restated. See note 40 for further details.

PMH TOPCO LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2021

	Notes	2021 £	2020 (restated*) £
Cash flows from operating activities			
Cash generated from operations	32	10,675,627	6,329,459
Interest paid		(1,850,764)	(1,883,321)
Income taxes paid		(479,817)	(125,310)
Net cash generated from operating activities		**8,345,046**	**4,320,828**
Investing activities			
Purchase of intangible assets		(1,186,642)	(644,719)
Purchase of property, plant and equipment		(466,555)	(873,538)
Purchase of subsidiaries, net of cash acquired	31	*(10,697,455)*	*(6,110,004)*
Proceeds on disposal of property, plant and equipment		16,940	24,168
Interest received		-	200
Net cash used in investing activities		**(12,333,712)**	**(7,603,893)**
Financing activities			
Proceeds from bank loans		10,348,638	12,400,000
Repayment of bank loans		(3,090,000)	(4,090,244)
Repayment of preference shares		-	(62,707)
Interest paid on preference shares		-	(7,858)
Repayment of loan notes		-	(1,355,378)
Capital element of lease liability payments		(1,669,626)	(1,660,184)
Loan fees paid		-	(131,853)
Net cash generated from financing activities		**5,589,012**	**5,091,776**
Net increase in cash and cash equivalents		1,600,346	1,808,711
Cash and cash equivalents at beginning of year		2,723,491	914,780
Cash and cash equivalents at end of year		**4,323,837**	**2,723,491**

* Purchase of intangible assets and property, plant and equipment has been restated. See note 40 for further details.

PMH TOPCO LIMITED

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash used in operations	**34**	(8,025,040)	(5,628,971)
Income taxes paid		(329,550)	-
Net cash used in operating activities		(8,354,590)	(5,628,971)
Financing activities			
Proceeds from bank loans		8,348,638	5,638,213
Net cash generated from financing activities		8,348,638	5,638,213
Net (decrease)/increase in cash and cash equivalents		(5,952)	9,242
Cash and cash equivalents at beginning of year		9,309	67
Cash and cash equivalents at end of year		**3,357**	**9,309**

1 Accounting policies

Company information

PMH Topco Limited ("the company") is a private company limited by shares, domiciled, and incorporated in the United Kingdom and registered in England and Wales. The registered office is Warwick House, 25-27 Buckingham Palace Road, London, SW1W 0PP.

The group consists of PMH Topco Limited and all of its subsidiaries. The group manufactures and supplies lifting, handling, and bathing products that safely and efficiently allow the mobility impaired to be moved, transferred, and handled from one person to another. The group has manufacturing sites in the United Kingdom and sells primarily within the UK.

1.1 Accounting convention

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the United Kingdom ("IFRS") and International financial Reporting Committee ("IFRC") Interpretations that are applicable to the consolidated financial statements for the year ending 30 November 2021, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

These accounting policies have been consistently applied to all the periods presented, unless otherwise stated.

These consolidated financial statements are the first published consolidated financial statements of PMH Topco Limited prepared in accordance with International Financial Reporting Standards as adopted by the United Kingdom ("IFRS"). The consolidated financial statements of PMH Topco Limited were previously prepared under Financial Reporting Standard FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Some of the IFRS recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from UK GAAP. Consequently, the directors have amended certain accounting policies to comply with IFRS. The directors have also taken advantage of certain exemptions from the requirements of IFRS permitted by IFRS 1 "First-time Adoption of International Financial Reporting Standards'. The exemptions taken are set out in note 39.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Directors have taken advantage of exemptions to retrospective application of IFRS permitted by IFRS 1 'First-time Adoption of International Financial Reporting Standards'.

Reconciliations and descriptions of the effect of the transition to IFRS on the consolidated and company equity and the consolidated and company total comprehensive income previously reported under UK GAAP are given in note 39.

These financial statements are prepared in sterling which is the functional currency of the group and the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention.

The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

The consolidated financial statements incorporate those of PMH Topco Limited and all of its subsidiaries (ie. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

1 Accounting policies (continued)

1.2 Basis of consolidation (continued)

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued, and liabilities incurred or assumed, plus costs directly attributable to the business combination. In the group financial statements, the excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

All financial statements are made up to 30 November 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiary acquisitions have been included in the group financial statements using the purchase method of accounting. Accordingly, the group profit and loss account and statement of cash flows include the results and cash flows of subsidiaries for the period from the date of their acquisitions. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

1.3 Going concern

The directors have reviewed the trading position of the Prism Group (PMH Topco Limited and its subsidiaries) and its business risks, including the known and potential impacts on the business of the economic uncertainty caused by the Covid-19 global pandemic, Brexit, the war in Ukraine and cost inflation. As part of that review the directors have prepared profit and cash flow forecasts for a period of 12 months from the date of approval of these financial statements, including considering a severe but plausible downside case, to assess whether the business will have access to sufficient liquidity over that period and will be in compliance with the covenants attached to the group's external debt.

After the statement of financial position date, the group refinanced its debt facilities and entered into a new Senior and Revolving Facilities Agreement on 20th January 2022. The agreement provides the group access to draw down on a £25m Committed Acquisition Facility and a £5m Revolving Working Capital Facility to meet its funding requirements. The Committed Acquisition and Revolving Working Capital facilities are available until 2029 and 2028 respectively.

On the basis of their review, management has concluded that the group will have access to sufficient liquidity to fund its operations for at least one year from the approval date of these financial statements and accordingly, the going concern basis of preparation of the financial statements is reasonable and no material uncertainty exists.

1.4 New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published and are not mandatory for the 30 November 2021 reporting period 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.

1 Accounting policies (continued)

1.5 Revenue

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the group:

- identifies the contract with a customer;
- identifies the performance obligations in the contract;
- determines the transaction price which takes into account estimates of variable consideration and the time value of money;
- allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and
- recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

At contract inception, an assessment is completed to identify the performance obligations in each contract. Performance obligations in a contract are either goods or services that are distinct, or part of a series of distinct goods and services that are substantially the same and have the same pattern or transfer to the customer.

The group has elected to apply practical expedients to:

- not adjust the promised amount of consideration for the effects of a significant financing component if the group expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less; and
- recognise the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset recognised would otherwise have been one year or less.

The following is a description of the principal activities from which the group generates revenue:

Supply of equipment

Revenue from supply of equipment is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (on dispatch of the goods at a point in time), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably. The transaction price is allocated to the equipment supplied to the customer based on set price lists.

Installation of equipment

Revenue from the installation of equipment is not bundled with the supply of equipment as it represents a separate performance obligation. Revenue is recognised on the day of installation at a point in time. In the normal course of events, an installation is completed the same day it is started. The transaction price is allocated based on set price lists which will be specified in the contract with the customer.

Service and repair of equipment

The revenue from service and repair of equipment is recognised when the performance obligation is satisfied at a point in time, which is on the day that the service and repair of the equipment takes place. The group also enters into a number of contracts for comprehensive servicing and maintenance which are delivered over a period of time and paid for via a flat fee. Revenue for these contracts is recognised on a straight-line basis over the period of the agreement, as management concluded this is the most faithful approximation to measure the progress towards complete satisfaction of the performance obligation given the indeterminate nature of the number of maintenance and servicing acts over the specified period. The transaction price is allocated based on set price lists which will be specified in the contract with the customer.

1 Accounting policies (continued)

1.5 Revenue (continued)

Extended warranties

Products sold by the group come with an existing inclusive warranty period. The existing warranty provides assurance that the product complies with agreed-upon specifications, and as such is accounted for as a provision in accordance with IAS 37. The group also provides extended warranties which are priced and offered at an additional cost to the goods supplied. The extended warranties are considered to be distinct and treated as a separate performance obligation under IFRS 15 with revenue being recognised on a straight-line basis over the period of the extended warranty. The transaction price is allocated based on set price lists which will be specified in the contract with the customer.

1.6 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial, and financial feasibility can be demonstrated.

1.7 Goodwill

Goodwill arising on consolidation is recorded as an intangible asset and is the surplus of the fair value of the consideration payable over the group's interest in the fair value of identifiable net assets acquired. Goodwill is reviewed annually for impairment. For the purposes of impairment testing, goodwill is allocated to each of the company's cash-generating units. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment identified as a result of the review is charged to the income statement. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

1.8 Intangible assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs	3 years
Brand	10 years
Customer relationships	10 years
Software costs	3 years

1.9 Property, plant and equipment

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	20% on cost
Plant and equipment	20% on cost
Fixtures and fittings	33% on cost
Motor vehicles	33% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the income statement.

1 Accounting policies (continued)

1.10 Right-of-use assets

A right-of-use asset is recognised at commencement of the lease and initially measured at the amount of the lease liability, plus any incremental costs of obtaining the lease and any lease payments made at or before the leased asset is available for use by the group.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses. The depreciation methods applied are as follows:

Right-of use assets	Over the lease term

The right-of-use asset is subject to impairment and adjusted for any re-measurement of the lease liability and lease modifications.

1.11 Fixed asset investments

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.12 Impairment of intangible assets and property, plant and equipment

At each reporting period end date, the group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1 Accounting policies (continued)

1.13 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the income statement. Reversals of impairment losses are also recognised in the income statement.

1.14 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.15 Financial instruments

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets

Financial assets are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in the income statement. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (e.g. trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

Impairment of financial assets

An impairment loss is recognised for the expected credit losses on financial assets where there is an increased probability that the counterparty will be unable to settle an instrument's contractual cashflows on contractual due dates, a reduction in the amounts expected to be recovered, or both.

The probability of default and expected amounts recoverable are assessed using reasonable, and supportable past and forward-looking information that is available without undue cost or effort. The expected credit loss on trade receivables is a probability weighted amount determined from grouping the receivables based on days overdue and making assumptions based on historic information to allocate an overall expected credit loss rate for each group.

1 Accounting policies (continued)

1.15 Financial instruments (continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Financial liabilities

Financial liabilities are recognised when the group becomes a party to the contractual provisions of the instruments.

Financial liabilities, including borrowings, trade payables and other payables, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.16 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1 Accounting policies (continued)

1.17 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.18 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or property, plant and equipment.

The cost of any unused holiday entitlement is recognised in the period in which the employee's holiday entitlement accrues.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.19 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.20 Leases

On commencement of a contract which gives the group the right to use an asset for a period of time in exchange for consideration, the group recognises a right-of-use asset and a lease liability unless the lease qualifies as a 'short-term' lease (term is twelve months or less with no option to purchase the lease asset) or a 'low-value' lease (where the underlying asset is £4,000 or less when new).

Initial measurement of the lease liability

The lease liability is initially measured at the present value of the lease payments during the lease term, discounted using the interest rate implicit in the lease, or the incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined.

The lease is the non-cancellable period of the lease plus extension periods that the group is reasonably certain to exercise and termination periods that the group is reasonably certain not to exercise.

Lease payments include fixed payments, less any lease incentives receivable, variable lease payments dependent on an index or a rate (such as those linked to LIBOR) and any residual value guarantees. Variable lease payments are initially measured using the index or rate when the leased asset is available for use.

1 Accounting policies (continued)

1.20 Leases (continued)

Subsequent measurement of the lease liability

The lease liability is subsequently increased for a constant periodic rate of interest on the remaining balance of the lease liability and reduced for lease payments.

Interest on the lease liability is recognised in the income statement. Variable lease payments not included in the measurement of the lease liability as they are not dependent on an index or rate, are recognised in the income statement in the period in which the event or condition that triggers those payments occurs.

When the lease liability is re-measured due to changes arising from the original terms and conditions of the lease, the corresponding adjustment is reflected in the right-of-use asset, or income statement if the right-of-use asset is already reduced to nil.

A lease modification, that was not part of the original terms and conditions of the lease, is accounted for as a separate lease or an adjustment to the lease liability depending on the nature of the change.

1.21 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met, and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria is satisfied is recognised as a liability.

1.22 Foreign exchange

Transactions in currencies other than functional currency are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are recognised in the income statement.

1.23 Finance costs

Finance costs are expensed in the period in which they are incurred. Interest paid is included under operating activities in the statement of cash flows.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates, judgements, and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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.

2 Judgements and key sources of estimation uncertainty (continued)

The estimates and judgements 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.

(i) Useful economic lives of tangible assets

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lived and residual values of the assets. The useful economic lives and residual values are re- assessed annually. They are amended where necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property, plant and equipment and note 1 for the useful economic lives for each class of assets.

(ii) Inventory provisioning

The group manufactures and repairs moving and handling products and is subject to changes in consumer demand and new products. As a result, it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials. See note 17 for the net carrying amount of the inventory and associated provision.

(iii) Loss allowance on trade receivables

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an *overall expected credit loss rate for each group. See note 18 for the carrying amount of trade receivables and* the allowance for expected credit losses.

(iv) Impairment of goodwill

The group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 12. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

(v) Identification and valuation of intangible assets on business combinations

Identified intangible assets acquired in business combinations are recognised separately from goodwill. An intangible asset is identified if it arises from contractual or legal rights, or it is separable. Determining the fair value of intangible assets acquired requires estimates of future cash flows related to the identified intangibles and a suitable discount rate to calculate the present value. Note 31 provides information on the acquisitions made during the year.

(vi) Measurement of lease liabilities – discount rate

The directors have assessed that 5.29% was a reasonable discount rate to reflect the group's incremental cost of borrowing for all leases at the date of transition to IFRS 16. This rate has been estimated based on a consideration of the rates on existing bank and other borrowings the group is engaged in. Note 22 provides information on the value of lease liabilities at the date of transition.

3 Revenue

Revenue is generated from the sale of goods and provision of services. Revenue recognised in the income statement is analysed as follows:

Group revenue analysed by class of business

	2021 £	2020 £
Sale of equipment	53,023,309	38,563,672
Installation	4,622,258	4,470,225
Service and repair	11,247,588	9,922,682
Warranties	468,111	415,196
Training	203,980	121,656
	69,565,246	**53,493,431**

Group revenue analysed by geographical market

	2021 £	2020 £
UK and Ireland	65,649,476	50,599,481
Rest of the world	3,915,770	2,893,950
	69,565,246	**53,493,431**

Group revenue analysed by timing of recognition

	2021 £	2020 £
Goods and services transferred at a point in time	69,097,135	53,078,235
Goods and services transferred over time	468,111	415,196
	69,565,246	**53,493,431**

No single customer accounted for more than 10% of revenue recognised by the group in the period (2020 – same).

4 Analysis of expenses by nature

	2021 £	2020 (restated*) £
Auditors' remuneration (note 6)	247,000	170,000
Employee remuneration (note 7)	22,822,862	18,066,591
Amortisation of intangible assets (note 12)	2,999,774	2,298,477
Depreciation of property, plant and equipment (note 13)	957,016	1,210,648
Depreciation of right-of-use assets (note 13)	1,642,390	1,683,871
(Profit)/loss on disposal of property, plant and equipment	(6,933)	18,277
Exchange differences	(62,185)	(43,122)
Operating lease charges in relation to short-term and low-value leases	336,868	211,554
Other operating expenses	35,456,972	30,319,251
Total cost of sales, administrative expenses, and distribution expenses	**64,393,764**	**53,935,547**

* Amortisation of intangible assets and depreciation of property, plant and equipment has been restated. See note 40 for further details.

5 Other operating income

	2021 £	2020 £
Government grants	**26,406**	**795,661**

The government grants received relate to the furlough job retention scheme. The Coronavirus Job Retention Scheme (CJRS) was implemented by the UK government, and the scheme provides that those employees designated as being 'furloughed workers' are eligible to have 80 per cent of their wage costs paid up to a maximum of £2,500 per month. Due to the nature of the scheme, there are no unfulfilled conditions or contingencies.

6 Auditors' remuneration

Fees payable to the group's auditors and associates:

	2021 £	2020 £
For audit services		
Audit of the financial statements of the group and company	82,000	30,000
Audit of the financial statements of the company's subsidiaries	160,000	140,000
	242,000	**170,000**

7 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group		Company	
	2021 Number	2020 Number	2021 Number	2020 Number
Management	33	22	2	2
Production	413	374	-	-
Sales & administration	225	225	-	-
	671	**621**	**2**	**2**

Their aggregate remuneration comprised:

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Wages and salaries	20,113,448	16,245,637	-	-
Social security costs	1,872,500	1,509,803	-	-
Other pension costs	828,363	454,923	-	-
Share-based payment expense	252,235	199,928	-	-
	23,066,546	18,410,291	-	-
Amounts capitalised	(243,684)	(343,700)	-	-
Staff costs charged to income statement	**22,822,862**	**18,066,591**	**-**	**-**

7 Employees (continued)

Share-based payment expense relates to certain employees who are directors of subsidiary entities and are significant to the operations of the group. These employees have been allocated C and D ordinary equity shares in exchange for employee services. The group is unable to directly measure the fair value of the services provided and have therefore used a discounted cost of equity valuation model to determine the grant date fair value of these shares for accounting purposes. The fair value is recognised as an expense and a corresponding entry to retained earnings over the expected vesting period ending 30 November 2022.

At the statement of financial position date, there were 145,055 shares in issue held by employees, with a weighted average exercise price of £1.00 per share, and a weighted average fair value of £11.17 per share. No options were exercised (2020: nil), were cancelled (2020: nil) or lapsed (2020: nil) during the year.

The fair value of shares issued during the year was calculated using the discounted cost of equity valuation model as £13.70 per share. The following inputs were used in the model:

Grant date	23/12/2020	Time until exercise	1.94 years
Vesting date	30/11/2022	Discount rate	12.5%
Share price	£14.70	Discount for marketability	50.0%
Exercise price	£1.00		

8 Directors' remuneration

	Group		Company	
	2021	**2020**	**2021**	**2020**
	£	**£**	**£**	**£**
Remuneration for qualifying services	887,909	823,454	-	-
Group pension contributions to defined contribution scheme	43,481	39,286	-	-
	931,390	**862,740**	**-**	**-**

During the year the directors of PMH Topco Limited received £nil (2020: £nil) remuneration and no directors had any retirement benefits accruing.

Directors of group subsidiaries received aggregate remuneration of £931,390 (2020: £862,740). During the year retirement benefits were accruing to 6 (2020: 5) directors in respect of defined contribution pension schemes.

The highest paid director received remuneration of £219,126 (2020: £202,404). The value of company contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,000 (2020: £10,000).

9 Finance income

	2021 £	2020 £
Interest income		
Other interest income	-	201
	-	**201**

10 Finance costs

	2021 £	2020 (restated*) £
Interest on financial liabilities measured at amortised cost		
Interest on bank overdrafts and loans	2,089,677	1,732,602
Interest on convertible loan notes	1,783,532	1,606,545
Amortisation of debt issue costs	343,729	320,026
Preference shares interest	2,365,884	2,148,633
Other interest on financial liabilities	60,921	48,299
	6,643,743	5,856,105
Other finance costs		
Interest payable on lease liabilities	313,570	291,723
Total finance costs	**6,957,313**	**6,147,828**

Interest on loan notes is accumulated and rolled up into the outstanding loan amounts. Refer to note 21 for more details on the group's outstanding loans and borrowings.

* Interest on convertible loan notes and preference shares has been restated. See note 40 for further details.

11 Taxation

	2021 £	2020 (restated*) £
Current tax		
UK corporation tax on loss for the current year	849,543	(23,886)
Adjustments in respect of prior years	8,851	(2,199)
Deferred tax		
Origination and reversal of timing differences	(654,437)	(445,342)
Adjustments in respect of prior periods	(145,227)	-
Effect of tax rate change	1,170,738	-
Total tax charge/(credit)	1,229,468	(471,427)

The actual charge/(credit) for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 (restated*) £
Loss before taxation	(1,759,425)	(5,794,082)
Expected tax credit based on the standard rate of corporation tax in the UK of 19% (2020: 19%)	(334,291)	(1,100,876)
Expenses that are not deductible in determining taxable profit	1,706,715	(644,984)
Income not taxable for tax purposes	(400,743)	-
Unutilised tax losses carried forward	-	346,600
Adjustments in respect of prior periods (current tax)	8,851	(2,199)
Adjustments in respect of prior periods (deferred tax)	(145,227)	-
Research and development tax credit	-	(82,869)
Deferred tax asset not previously provided	(803,822)	(143,111)
Remeasurement of deferred tax for changes in tax rates	1,023,921	-
Fixed asset differences	174,064	-
Other differences	-	28,237
Effect of intangible assets arising on consolidation, and other consolidation adjustments	-	1,000,962
Preference share dividends	-	385,568
Provision regarding movement in fair value adjustments	-	(258,755)
Taxation charge/(credit) in the financial statements	1,229,468	(471,427)

* UK corporation tax on loss for the current year and other differences in the reconciliation of the tax credit has been restated. See note 40 for further details.

The March 2021 Budget announced an increase in the UK standard rate of corporation tax to 25% from 1 April 2023. The legislation received Royal Assent on 10 June 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

On 23 September 2022, it was announced that the corporation tax rate change from 19% to 25% with effect from 1 April 2023 was to be cancelled. This was not substantively enacted at the balance sheet date and therefore the impact of this change is not reflected in the measurement of deferred tax.

12 Intangible assets

Group	Goodwill	Development costs (restated*)	Brands	Customer relationships	Software costs	Total (restated*)
	£	£	£	£	£	£
Cost						
At 1 December 2019	**35,377,959**	**1,767,936**	**11,508,547**	**-**	**-**	**48,654,442**
Additions	-	640,470	4,249	-	-	644,719
Business combinations	5,933,153	32,915	3,722,512	2,131,985	-	11,820,565
At 30 November 2020	**41,311,112**	**2,441,321**	**15,235,308**	**2,131,985**	**-**	**61,119,726**
Additions	-	649,020	-	-	537,622	1,186,642
Business combinations	8,241,579	-	2,441,072	2,440,009	-	13,122,660
At 30 November 2021	**49,552,691**	**3,090,341**	**17,676,380**	**4,571,994**	**537,622**	**75,429,028**
Accumulated amortisation						
At 1 December 2019	**-**	**442,882**	**1,092,007**	**-**	**-**	**1,534,889**
Charge for the year	-	579,939	1,523,106	195,432	-	2,298,477
At 30 November 2020	**-**	**1,022,821**	**2,615,113**	**195,432**	**-**	**3,833,366**
Charge for the year	-	744,520	1,726,954	416,533	111,767	2,999,774
At 30 November 2021	**-**	**1,767,341**	**4,342,067**	**611,965**	**111,767**	**6,833,140**
Carrying amount						
At 30 November 2021	**49,552,691**	**1,323,000**	**13,334,313**	**3,960,029**	**425,855**	**68,595,888**
At 30 November 2020	**41,311,112**	**1,418,500**	**12,620,195**	**1,936,553**	**-**	**57,286,360**
At 1 December 2019	**35,377,959**	**1,325,054**	**10,416,540**	**-**	**-**	**47,119,553**

The company had no intangible assets at 30 November 2021, 30 November 2020 or 1 December 2019.

** Development costs and accumulated amortisation brought forward, additions and amortisation charge has been* restated. See note 40 for further details.

12 Intangible assets (continued)

The brands and customer relationships have arisen upon the acquisition of Prism Medical Healthcare Limited and its subsidiaries, Assured Healthcare (Scotland) Limited, Care-Ability Holdings Limited and its wholly owned subsidiary, Care-Ability Healthcare Limited, Kala Holdings Limited, together with its subsidiaries and Repacq Investments Limited and its wholly owned subsidiary, Repose Furniture Limited.

At the statement of financial position date, the weighted average amortisation period remaining for brands was 7 years and 6 months and for customer relationships was 8 years and 10 months.

Amortisation charged is included within administrative expenses in the income statement.

Goodwill arose on the past acquisition of subsidiaries of the group and represents the excess of the consideration over the fair value of the net assets acquired.

Goodwill has been allocated between multiple cash generating units as follows:

	£	Discount rate used
Prism Medical Healthcare and its subsidiaries	32,455,238	18.92%
Assured Healthcare (Scotland) Limited	991,989	18.92%
Care-Ability Healthcare Limited	2,935,237	18.92%
Harvest Healthcare Limited	5,686,945	18.92%
Repose Furniture Limited	7,483,282	18.92%

The goodwill was tested for impairment at 30 November 2021 by comparing the carrying value of each of the cash generating units with the recoverable amount. The recoverable amount of each cash generating unit was determined using a value in use methodology based on discounted cash flow projections. The key assumptions used in the value in use calculations were as follows:

- Operating cash flows are based on internal forecast of cash generating unit EBITDA plus capital expenditure and working capital movements;
- A 5-year forecast period; and
- The pre-tax discount rate of 18.92% was calculated as the compound annual growth rate required to generate a 100% equity return over a 3-to-5-year period.

On the basis of the above assumptions and value in use calculations, management have concluded that no impairment is required.

13 Property, plant and equipment

Group	Leasehold land and buildings	Plant and equipment (restated*)	Fixtures and fittings	Motor vehicles	Right-of-use assets	Total (restated*)
	£	£	£	£	£	£
Cost						
At 1 December 2019	**304,252**	**1,091,783**	**1,743,187**	**171,432**	**2,807,525**	**6,118,179**
Additions	6,938	198,131	725,145	1,628	4,286,743	5,218,585
Business combinations	56,694	43,800	126,600	96,668	473,790	797,552
Disposals	-	(10,900)	(5,000)	(42,103)	-	(58,003)
At 30 November 2020	**367,884**	**1,322,814**	**2,589,932**	**227,625**	**7,568,058**	**12,076,313**
Additions	39,373	198,217	228,965	-	294,504	761,059
Business combinations	-	270,231	43,753	30,633	480,136	824,753
Disposals	-	-	(15)	(36,500)	(22,457)	(58,972)
At 30 November 2021	**407,257**	**1,791,262**	**2,862,635**	**221,758**	**8,320,241**	**13,603,153**
Accumulated depreciation						
At 1 December 2019	**58,173**	**146,712**	**464,622**	**38,607**	**100,378**	**808,492**
Charge for the year	72,654	264,487	773,017	100,490	1,683,871	2,894,519
Disposals	-	(2,180)	(1,667)	(11,711)	-	(15,558)
At 30 November 2020	**130,827**	**409,019**	**1,235,972**	**127,386**	**1,784,249**	**3,687,453**
Charge for the year	47,557	634,959	244,925	29,575	1,642,390	2,599,406
Disposals	-	-	-	(26,419)	(6,288)	(32,707)
At 30 November 2021	**178,384**	**1,043,978**	**1,480,897**	**130,542**	**3,420,351**	**6,254,152**
Carrying amount						
At 30 November 2021	**228,873**	**747,284**	**1,381,738**	**91,216**	**4,899,890**	**7,349,001**
At 30 November 2020	**237,057**	**913,795**	**1,353,960**	**100,239**	**5,783,809**	**8,388,860**
At 1 December 2019	**246,079**	**945,071**	**1,278,565**	**132,825**	**2,707,147**	**5,309,687**

The company had no tangible assets at 30 November 2021, 30 November 2020 or 1 December 2019.

* Plant and equipment cost and accumulated depreciation brought forward, additions and depreciation charge has been restated. *See note 40 for further details.*

14 Investments

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Investments in subsidiary undertakings	-	-	846,705	846,705

Movements in investments

Parent company	**Investments other than loans**
	£
Cost or valuation	
At 1 December 2019, 2020 and 30 November 2021	846,705
Carrying amount	
At 30 November 2021	**846,705**
At 30 November 2020	**846,705**
At 1 December 2019	**846,705**

Details of the subsidiaries can be found in note 15. The directors believe that the carrying value of investments is supported by their underlying assets.

15 Subsidiaries

Details of the company's subsidiaries at 30 November 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
PMH Holdco Limited	Warwick House, 25-27 Buckingham Palace Road, London, United Kingdom, SW1W	Holding	Ordinary	83.42	
PMH Bidco Limited	Warwick House, 25-27 Buckingham Palace Road, London, United Kingdom, SW1W	Holding	Ordinary		100
Prism Medical Healthcare Limited	Unit 4 Jubilee Business Park, Jubilee Way, Grange Moor, West Yorkshire, WF4 4TD	Holding	Ordinary		100
Prism Medical Deutschland GmbH	Askanierweg ,12, Minden 32429, Germany	Dormant	Ordinary		100
The Mobility Equipment Company Limited	Unit 4 Jubilee Business Park, Jubilee Way, Grange Moor, West Yorkshire, WF4 4TD	Dormant	Ordinary		100
The Stairlift Company Limited	Unit 4 Jubilee Business Park, Jubilee Way, Grange Moor, West Yorkshire, WF4 4TD	Dormant	Ordinary		100
Westholme Limited	Unit 4 Jubilee Business Park, Jubilee Way, Grange Moor, West Yorkshire, WF4 4TD	Dormant	Ordinary		100
Grimstead Medical Limited	Unit 4 Jubilee Business Park, Jubilee Way, Grange Moor, West Yorkshire, WF4 4TD	Dormant	Ordinary		100
Freeway Healthcare Limited	Unit 4 Jubilee Business Park, Jubilee Way, Grange Moor, West Yorkshire, WF4 4TD	Dormant	Ordinary		100
Prism UK Medical Limited	Unit 4 Jubilee Business Park, Jubilee Way, Grange Moor, West Yorkshire, WF4 4TD	Manufacture and distribution of handling and movement equipment	Ordinary		100
Movement 2 Limited	Unit 4 Jubilee Business Park, Jubilee Way, Grange Moor, West Yorkshire, WF4 4TD	Dormant	Ordinary		100

15 Subsidiaries (continued)

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	Indirect
Care Free Lifting Limited	Unit 4 Jubilee Business Park, Jubilee Way, Grange Moor, West Yorkshire, WF4 4TD	Dormant	Ordinary		100
Test Valley Mobility Limited	Unit 4 Jubilee Business Park, Jubilee Way, Grange Moor, West Yorkshire, WF4 4TD	Dormant	Ordinary		100
Assured Healthcare (Scotland) Limited	Unit 1 8 Borrowmeadow Road, Springkerse Industrial Estate, Stirling, Scotland, FK7 7UW	Manufacture and distribution of handling and movement equipment	Ordinary		100
Liftech Systems Limited	Unit 4 Jubilee Business Park, Jubilee Way, Grange Moor, West Yorkshire, WF4 4TD	Dormant	Ordinary		100
Handling Moving & Ergonomics Limited	Unit 4 Jubilee Business Park, Jubilee Way, Grange Moor, West Yorkshire, WF4 4TD	Provision of handling and movement training	Ordinary		100
Saluss Limited	Unit 4 Jubilee Business Park, Jubilee Way, Grange Moor, West Yorkshire, WF4 4TD	Dormant	Ordinary		100
Care-Ability Holdings Limited	Unit 4 Jubilee Business Park, Jubilee Way, Grange Moor, West Yorkshire, WF4 4TD	Dormant	Ordinary		100
Care-Ability Healthcare Limited	Unit 4 Jubilee Business Park, Jubilee Way, Grange Moor, West Yorkshire, WF4 4TD	Manufacture and distribution of handling and movement equipment	Ordinary		100
Mackworth Healthcare Limited	Unit 4 Jubilee Business Park, Jubilee Way, Grange Moor, West Yorkshire, WF4 4TD	Dormant	Ordinary		100
Assured Patient Lifting Services	Unit 4 Jubilee Business Park, Jubilee Way, Grange Moor, West Yorkshire, WF4 4TD	Dormant	Ordinary		100
Smirthwaite Limited	Unit 4 Jubilee Business Park, Jubilee Way, Grange Moor, West Yorkshire, WF4 4T	Manufacture and distribution of handling and movement equipment	Ordinary		100
The Back Care Seating Company	Unit 4 Jubilee Business Park, Jubilee Way, Grange	Dormant	Ordinary		100
Kala Holdings Limited	Unit 4 Jubilee Business Park, Jubilee Way, Grange Moor, West Yorkshire, WF4 4TD	Holding	Ordinary		100
Harvest Healthcare Limited	Sheaf House Bradmarsh Way, Bradmarsh Business Park, Rotherham, England, S60 1BW	Manufacture and distribution of handling and movement equipment	Ordinary		100
G and S Smirthwaite Limited	Unit 4 Jubilee Business Park, Jubilee Way, Grange Moor, West Yorkshire, WF4 4TD	Dormant	Ordinary		100
Smirthwaite USA LLC	405 Lexington Avenue, 26th Floor, New York, NY 10174, USA	Distribution of handling and movement equipment	Ordinary		100
Repacq Investments Limited	Unit 4 Jubilee Business Park, Jubilee Way, Grange Moor, West Yorkshire, WF4 4TD	Holding	Ordinary		100
Repose Furniture Limited	Unit 4 Jubilee Business Park, Jubilee Way, Grange Moor, West Yorkshire, WF4 4TD	Manufacture and distribution of handling and movement equipment	Ordinary		100

16 Financial instruments

	Group		Company	
	2021 £	2020 (restated*) £	2021 £	2020 (restated*) £
Financial assets measured at amortised cost				
Trade receivables	11,564,752	8,576,626	-	-
Other receivables	1,987,066	1,628,593	1,014,000	1,343,550
Contract assets	836,507	385,418	-	-
Amounts owed by group undertakings	-	-	57,792,195	44,830,445
	14,388,325	**10,590,637**	**58,806,195**	**46,173,995**
Financial liabilities measured at amortised cost				
Trade payables	6,495,286	4,010,162	-	-
Lease liabilities	5,049,600	5,960,845	-	-
Accruals	6,519,132	2,141,306	15,000	15,000
Borrowings	82,077,123	73,892,889	47,607,494	41,619,732
Other payables	10,458,523	6,173,028	9,773,645	2,851,089
	110,599,664	**92,178,230**	**57,396,139**	**44,485,821**

* Certain liabilities have been restated. See note 40 for further details.

17 Inventories

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Raw materials and consumables	4,878,973	3,723,165	-	-
Finished goods and goods for resale	4,614,204	3,184,219	-	-
	9,493,177	**6,907,384**	**-**	**-**

Inventories are stated after provision for impairment of £324,281 (2020: £320,352).

The cost of inventory recognised as an expense in the current year was £26,469,760 (2020: £20,762,434). These costs were included in cost of sales.

18 Trade and other receivables

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Amounts falling due within one year:				
Trade receivables	11,650,886	8,710,327	-	-
Allowance for expected credit losses	(86,134)	(133,701)	-	-
Trade receivables – net	**11,564,752**	**8,576,626**	**-**	**-**
Other receivables	1,987,066	1,628,593	1,014,000	1,343,550
Prepayments	811,449	975,140	-	-
Contract assets	836,507	385,418	-	-
	15,199,774	**11,565,777**	**1,014,000**	**1,343,550**
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	57,792,195	44,830,445
	15,199,774	**11,565,777**	**58,806,195**	**46,173,995**

Amounts owed by group undertakings are unsecured and interest free.

Standard credit terms for trade receivables are 30-60 days from invoice date, although certain credit terms are contract specific. The average credit period for sales is 53 days (2020: 52 days), and no interest is charged on trade receivables. Trade receivables are stated after an expected credit loss allowance of £86,134 (2020: £133,701). There are no trade receivables that fall due after more than one year.

19 Trade and other payables

	Notes	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank loans and overdrafts	21	18,821,731	8,627,469	14,627,778	5,638,213
Lease liabilities	22	1,481,046	1,507,356	-	-
Trade payables		6,495,286	4,010,162	-	-
Other taxation and social security		1,996,266	2,751,238	-	-
Other payables		121,245	16,703	-	-
Accruals		2,377,786	2,141,306	15,000	15,000
Contract liabilities		457,543	404,672	-	-
		31,750,903	**19,458,906**	**14,642,778**	**5,653,213**

20 Non-current liabilities

	Notes	Group *2021* £	Group 2020 *(restated*)* £	Company *2021* £	Company 2020 *(restated*)* £
Bank loans and overdrafts	21	28,087,540	30,062,286	-	-
Lease liabilities	22	3,568,554	4,453,489	-	-
Other borrowings	21	35,167,852	35,203,134	32,979,716	35,981,519
Other payables		10,337,278	6,156,325	9,773,645	2,851,089
Accruals		4,141,346	-	-	-
Contract liabilities		848,430	733,656	-	-
		82,151,000	**76,608,890**	**42,753,361**	**38,832,608**

* Certain liabilities have been restated. See note 40 for further details.

21 Loans and overdrafts

	Group		Company	
	2021	**2020**	**2021**	**2020**
	£	**£**	**£**	**£**
Bank loans	46,909,271	38,689,755	14,627,778	5,638,213
Preference shares	20,192,302	20,192,302	18,218,788	18,218,788
Loans from group undertakings	-		-	-
Loans from related parties	14,749,682	14,784,964	14,760,928	17,762,731
Other loans	225,868	225,868	-	-
	82,077,123	**73,892,889**	**47,607,494**	**41,619,732**
Payable within one year	18,821,731	8,627,469	14,627,778	5,638,213
Payable after one year	63,255,392	65,265,420	32,979,716	35,981,519
	82,077,123	**73,892,889**	**47,607,494**	**41,619,732**

Bank loans are shown net of issue costs of £787,714 (2020: £1,131,443), which are amortised over the life of the loan.

Bank loans consist of term A, B, C, and a revolving credit facility. The £8.4m term A facility is payable over 20 quarterly instalments which matures in March 2024 and has an interest rate of 4.0% over LIBOR. The £15.6m term B facility matures and is payable in March 2025 and has an interest rate of 4.5% over LIBOR. The £10.0m term C facility is payable over 9 quarterly instalments which matures in March 2024 and has an interest rate of 4.0% over LIBOR. The £2.5m revolving credit facility is available until March 2024, any amounts drawn down under this facility are repayable within one year and incur an interest rate of 4.0% over LIBOR. These facilities are secured by a fixed and floating charge over the assets and subsidiaries of PMH Bidco Limited, an intermediary holding company of the group.

Bank loans also include a £13.9m bridging facility which has an interest rate of 2.9% over LIBOR. All amounts drawn down under the bridging facility are repayable within one year.

Unsecured A Loan Notes of £14.7m in the Company and Group are repayable in December 2028, the Loan Notes incur compound interest at a rate of 10% per annum.

Unsecured B Loan Notes of £0.3m in the Group are repayable in December 2028, the Loan Notes incur compound interest at a rate of 10% per annum.

Preference shares have a repayment date of 14 December 2028, and accrue dividends at 10% compounded annually.

22 Lease liabilities

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Maturity analysis – contractual undiscounted cash flows				
Within one year	1,729,418	1,799,505	-	-
Years two to five inclusive	3,490,157	4,074,556	-	-
After five years	522,333	985,038	-	-
Total undiscounted lease liabilities	5,741,908	6,859,099	-	-
Effect of discounting	(692,308)	(898,254)	-	-
Discounted lease liabilities	***5,049,600***	***5,960,845***	-	-
Consisting of:				
Non-current	3,568,554	4,453,489	-	-
Current	1,481,046	1,507,356	-	-
Total discounted lease liabilities	**5,049,600**	**5,960,845**	-	-

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Group	Land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 December 2019	**1,557,062**	**131,908**	**183,773**	**934,782**	**2,807,525**
Additions	2,972,436	-	-	1,314,307	4,286,743
Business combinations	385,586	-	-	88,204	473,790
At 30 November 2020	**4,915,084**	**131,908**	**183,773**	**2,337,293**	**7,568,058**
Additions	-	-	9,764	284,740	294,504
Business combinations	480,136	-	-	-	480,136
Disposals	-	-	-	(22,457)	(22,457)
At 30 November 2021	**5,395,220**	**131,908**	**193,537**	**2,599,576**	**8,320,241**
Accumulated depreciation					
At 1 December 2019	-	**21,239**	**79,139**	-	**100,378**
Charge for the year	794,962	24,411	61,258	803,240	1,683,871
At 30 November 2020	**794,962**	**45,650**	**140,397**	**803,240**	**1,784,249**
Charge for the year	893,117	24,411	33,206	691,656	1,642,390
Disposals	-	-	-	(6,288)	(6,288)
At 30 November 2021	**1,688,079**	**70,061**	**173,603**	**1,488,608**	**3,420,351**
Carrying amount					
At 30 November 2021	**3,707,141**	**61,847**	**19,934**	**1,110,968**	**4,899,890**
At 30 November 2020	**4,120,122**	**86,258**	**43,376**	**1,534,053**	**5,783,809**
At 1 December 2019	**1,557,062**	**110,669**	**104,634**	**934,782**	**2,707,147**

22 Lease liabilities (continued)

Amounts recognised within the income statement in relation to short-term and low-value leases are disclosed *within note 4 to the financial statements.*

The total cash outflow for leases during the year was £1,669,626 (2020: £1,977,339).

23 *Provisions for liabilities*

	Group		Company	
	2021	**2020**	**2021**	**2020**
	£	**£**	**£**	**£**
Dilapidations	200,000	310,842	-	-
	200,000	**310,842**	**-**	**-**

Movements on provisions:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	£	**£**	**£**	**£**
Dilapidations				
At 1 December	310,842	318,561	-	-
Additional provisions – business combinations	100,000	-	-	-
Charged to income statement	60,404	-	-	-
Utilisation/release of provision	(271,246)	(7,719)	-	-
At 30 November	**200,000**	**310,842**	**-**	**-**

A provision has been made for the expected costs to be incurred on the exit of building and car leases to return the buildings and cars to their original condition. Provision of £200,000 (2020: £271,246) in respect of building dilapidation costs and £nil (2020: £39,596) in respect of car dilapidation costs are held at the year end and are expected to be utilised on the exit of the leases.

24 Deferred tax liabilities

	Group		Company	
	2021	**2020**	**2021**	**2020**
	£	**£**	**£**	**£**
Deferred tax liabilities	3,976,810	2,904,506	-	-
	3,976,810	**2,904,506**	**-**	**-**

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is an analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	£	**£**	**£**	**£**
Fixed asset timing differences	(42,279)	139,531	-	-
Other short term timing differences	(14,200)	-	-	-
Share based payments	(289,234)	-	-	-
Intangible assets on business combinations	4,322,523	2,764,975	-	-
	3,976,810	**2,904,506**	**-**	**-**

24 Deferred tax liabilities (continued)

Movements in the year:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Deferred tax				
At 1 December	2,904,506	2,207,833	-	-
Additional provisions – business combinations	927,405	1,142,015	-	-
Amounts charged/(credited) to profit and loss	371,074	(445,342)	-	-
Amounts credited to equity in relation to share-based payments	(226,175)	-	-	-
At 30 November	**3,976,810**	**2,904,506**	-	-

25 Cash and cash equivalents

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Cash and cash equivalents	4,323,837	2,723,491	3,357	9,309

26 Financial risk management

The group's financial instruments comprise cash, and receivables and payables held at amortised cost that arise from its operations.

The main financial risks arising from the group's financial instruments are liquidity risk, interest rate risk, foreign currency risk and credit risk. The directors review and agree policies for managing each of these risks.

Liquidity risk
Management control and monitor the group's cash flow on a regular basis, including forecasting future cash flows. The group's policy is to maintain cash and undrawn committed facilities at a level sufficient to meet its medium-term trading and funding obligations.

Interest rate risk
The group finances its operations through a combination of equity and interest-bearing financial liabilities. The interest-bearing financial liabilities are a mixture of bank loans, convertible loans and preference shares bearing both fixed and variable interest rates of 10% fixed per annum and 4.0%-4.5% over LIBOR per annum respectively.

Management regularly reviews the group's interest rate risk position and considers the requirement for any hedging instruments to mitigate risk as part of this regular monitoring. There were no such hedging instruments in place at the year-end (2020: none).

Foreign currency risk
The value and frequency of foreign currency transactions across the group is low and accordingly, management consider the related risk to be low. However, management regularly monitors the group's currency positions and exchange rate movements and make currency decisions as appropriate.

Credit risk
Credit risk predominantly arises from trade receivables and cash and cash equivalents.

The group's maximum exposure to credit risk relating to its financial assets is equivalent to their carrying value, as disclosed in note 16.

26 Financial risk management (continued)

Credit risk (continued)

The group mainly trades with long standing customers, the nature of these relationships assist management in controlling its credit risk in addition to an active credit control function monitoring customer balances on a daily basis and working with customers to ensure timely cash collection.

Management review long-standing balances due from customers on an individual basis to conclude if recoverable, and as such have no standardised definition of a default. However, generally any balances outstanding over more than 180 days would be considered to be in default. A loss allowance equal to the lifetime expected loss of £86,134 (2020: £133,701) was recognised on a collective basis on all trade receivables.

The directors have considered the expected credit loss allowance on the amounts owed by group undertakings to PMH Topco Limited of £57,792,195 (2020: £44,830,445) and concluded that the required allowance would not be material.

27 Capital risk management

The group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The group can implement a range of measures to alter the capital structure including altering the dividends paid to shareholders and arranging appropriate banking facilities.

The group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year. Despite the net liabilities position at the statement of financial position date, the group continues to generate significant cash from its operating activities.

28 Retirement benefit schemes

Defined contribution schemes	2021	2020
	£	£
Charge to income statement in respect of defined contribution schemes	**828,363**	**454,923**

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. Contributions totaling £108,962 (2020: £99,675) were payable to the fund at the balance sheet date.

29 Issued share capital

	Group and Company	
	2021	2020
	£	£
Ordinary share capital		
Issued and fully paid		
834,205 (2020: 834,205) Ordinary shares of £1 each	834,205	834,205
	834,205	**834,205**

		Group
	2021	2020
	£	£
Preference share capital (included in non-current liabilities)		
Issued and fully paid		
20,192,302 (2020: 20,192,302) Redeemable preference shares of £1 each	20,192,302	20,192,302
	20,192,302	**20,192,302**

29 Issued share capital (continued)

	Company	
	2021	2020
	£	£
Preference share capital (included in non-current liabilities)		
Issued and fully paid		
18,218,788 (2020: 18,218,788) Redeemable preference shares of £1 each	18,218,788	18,218,788
	18,218,788	***18,218,788***

The company has one class of ordinary shares which carry full rights to voting, dividend and capital distribution (including on winding up).

Additionally, the company and wider group have in issue redeemable preference shares of £1.00 each, classified as liabilities. These shares do not carry voting rights but have a right to a preferential dividend and preferential distribution rights upon a winding up. The shares have a repayment date of 14 December 2028 and accrue dividends at 10% compounded annually.

30 Reserves

Group and company reserves comprise:

(Accumulated losses)/retained earnings
Cumulative profit and loss net of distribution to owners.

31 Acquisition

On 18 January 2021 the group acquired 100 percent of the issued share capital of Repacq Investments Limited and its wholly owned subsidiary, Repose Furniture Limited.

As a result of the acquisition, the group will be able to expand its current product offering within existing distribution channels and further widen those distribution channels whilst benefitting from the synergistic benefits arising from integrating Repose Furniture Limited into the group.

	Book Value	Adjustments	Fair Value
	£	£	£
Intangible assets	-	4,881,081	4,881,081
Property, plant and equipment	344,617	480,136	824,753
Inventories	404,707	-	404,707
Trade and other receivables	4,427,443	-	4,427,443
Cash and cash equivalents	719,823	-	719,823
Trade and other payables	(942,864)	(205,561)	(1,148,425)
Lease liabilities	-	(480,136)	(480,136)
Provisions for liabilities	-	(100,000)	(100,000)
Deferred tax liabilities	(55,505)	(871,900)	(927,405)
Total identifiable net assets	**4,898,221**	**3,703,620**	**8,601,841**
Non-controlling interests			(1,426,142)
Goodwill			8,241,579
Total consideration			**15,417,278**

The consideration was satisfied by:	£
Cash	11,417,278
Deferred consideration	4,000,000
	15,417,278

Contribution by the acquired business for the reporting period included in the consolidated income statement since acquisition:

	£
Revenue	8,325,680
Profit after tax	1,995,607

Revenue and profit or loss of the group for the reporting period as though the acquisition date was the beginning of the period:

	£
Revenue	70,474,183
Profit after tax	(1,688,593)

The goodwill arising on the acquisition of the business is attributable to the anticipated profitability of the company and the future operating synergies from the combination.

Acquisition-related costs of £229,806 were recognised in administrative expenses in the income statement.

32 Cash generated from operations – group

	2021 £	2020 (restated*) £
Loss for the year after tax	(2,988,893)	(5,322,655)
Adjustments for:		
Taxation charge/(credit)	1,229,468	(471,427)
Finance costs	6,957,313	6,147,828
Investment income	-	(201)
Amortisation of intangible assets	2,999,774	2,298,477
Depreciation of property, plant and equipment	2,599,406	2,894,519
(Profit)/loss on disposal of property, plant and equipment	(6,933)	18,277
Equity settled share-based payment expense	252,235	199,928
Decrease in provisions	(210,842)	(7,719)
Movements in working capital:		
Increase in inventory	(2,181,086)	(318,055)
Decrease in debtors	793,446	1,421,076
Increase/(decrease) in creditors	1,231,739	(530,589)
Cash generated from operations	**10,675,627**	**6,329,459**

* Finance costs, amortisation of intangible assets and depreciation of property, plant and equipment has been restated. See note 40 for further details.

33 Analysis of changes in net debt – group

	1 December 2020 £	Cash flows £	Acquisitions £	Other non-cash changes £	30 November 2021 £
Cash and cash equivalents	2,723,491	880,523	719,823	-	4,323,837
Bank loans	(38,689,755)	(7,258,638)	-	(960,878)	(46,909,271)
Other borrowings	(35,203,134)	-	-	35,282	(35,167,852)
Other payables – accrued interest on loan notes and preference shares	(6,156,325)	-	-	(4,180,953)	(10,337,278)
Lease liabilities	(5,960,845)	1,669,626	(480,136)	(278,245)	(5,049,600)
	(83,286,568)	(4,708,489)	239,687	(5,384,794)	(93,140,164)

	1 December 2019 (restated*) £	Cash flows £	Acquisitions £	Other non-cash changes (restated*) £	30 November 2020 (restated*) £
Cash and cash equivalents	914,780	1,775,708	33,003	-	2,723,491
Bank loans	(27,226,845)	(6,586,127)	(2,830,244)	(2,046,539)	(38,689,755)
Other borrowings	*(33,572,074)*	*1,326,043*	*(1,295,878)*	*(1,661,225)*	*(35,203,134)*
Other payables – accrued interest on loan notes and preference shares	(2,415,630)	-	-	(3,740,695)	(6,156,325)
Lease liabilities	(2,815,035)	1,977,339	(486,379)	(4,636,770)	(5,960,845)
	(65,114,804)	(1,507,037)	(4,579,498)	(12,085,229)	(83,286,568)

** Finance costs and certain liabilities have been restated. See note 40 for further details.*

34 Cash used in operations – company

	2021 £	2020 (restated*) £
(Loss)/profit for the year after tax	(89,420)	488,621
Adjustments for:		
Taxation charge	134,900	-
Finance costs	4,561,680	3,170,153
Investment income	(4,561,680)	(3,170,153)
Movements in working capital:		
Increase in debtors	(8,070,520)	(6,097,592)
Decrease in creditors	-	(20,000)
Cash used in operations	**(8,025,040)**	**(5,628,971)**

* Finance costs have been restated. See note 40 for further details.

35 Analysis of changes in net debt – company

	1 December 2020 £	Cash flows £	Other non-cash changes £	30 November 2021 £
Cash and cash equivalents	9,309	(5,952)	-	3,357
Bank loans	(5,638,213)	(8,348,638)	(640,927)	(14,627,778)
Other borrowings	(35,981,519)	-	3,001,803	(32,979,716)
Other payables – accrued interest	(2,851,089)	-	(6,922,556)	(9,773,645)
	(44,461,512)	(8,354,590)	(4,561,680)	(57,377,782)

	1 December 2019 (restated*) £	Cash flows £	Other non-cash changes (restated*) £	30 November 2020 (restated*) £
Cash and cash equivalents	67	9,242	-	9,309
Bank loans	-	(5,638,213)	-	(5,638,213)
Other borrowings	(33,305,861)	-	(2,675,658)	(35,981,519)
Other payables – accrued interest	(2,356,594)	-	(494,495)	(2,851,089)
	(35,662,388)	(5,628,971)	(3,170,153)	(44,461,512)

* Finance costs and certain liabilities have been restated. See note 40 for further details.

36 Controlling party

PMH Topco Limited is the smallest and largest group that prepares consolidated financial statements that include the results of this company. At the date of the statement of financial position the directors considered the ultimate controlling party to be Limerston Capital Partners LLP, however, in February 2022, following the sale of the group, the ultimate controlling party became Charme Capital Partners.

37 Contingent liability

PMH Topco Limited, the parent company of the group, has provided a statutory guarantee for all outstanding liabilities to which the following companies are subject to as at 30 November 2021 to:

- PMH Holdco Limited;
- PMH Bidco Limited;
- Prism Medical Healthcare Limited;
- Assured Healthcare (Scotland) Limited;
- Handling Movement & Ergonomics Limited;
- Smirthwaite Limited;
- Care-Ability Healthcare Limited;
- Harvest Healthcare Limited;
- Kala Holdings Limited;
- Repacq Investments Limited; and
- Repose Furniture Limited

The guarantee enables these companies to take the BIS exemption from obtaining a signed statutory opinion under section 479A of the Companies Act 2006.

38 Related party transactions

Transactions with related parties

Key management personnel

The remuneration of key management personnel of the group was:

	2021	2020
	£	£
Short-term employee benefits	998,267	931,838
Post-employment benefits	43,481	39,286
	1,041,748	**971,124**

At 30 November 2021, £1,014,000 (2020: £1,014,000) was due from key management personnel. The loan is on an interest free basis and is repayable on demand.

At 30 November 2021, £2,411,312 (2020: £2,192,651) of preference share capital was in issue, held by management, with £445,655 (2020: £226,994) of accrued interest outstanding. The preference shares pay 10% compound interest annually and are redeemable on the earlier of 14 December 2028 or an exit. Preference shares do not carry voting rights. Included in the income statement is £218,661 (2020: £194,965) of interest expense.

At 30 November 2021, £340,457 (2020: £291,938) of loan notes were in issue with management, with £87,738 (2020: £58,624) of accrued interest outstanding. The loan notes pay 10% compound interest annually and are redeemable on the earlier of 14 December 2028 or an exit. Included in the income statement is £29,113 (2020: £31,616) of interest expense.

38 Related party transactions (continued)

Transactions with entities with control, joint control, or significant influence over the entity

At 30 November 2021, PMH Holdco Limited had in issue £17,480,429 (2020: £17,480,429) of redeemable preference shares with PMH Topco Limited. At the year-end, £5,710,579 (2020: £3,607,738) of accrued interest was outstanding. The preference shares pay 10% compound interest annually and are redeemable on the earlier of 14 December 2028 or an exit. Preference shares do not carry voting rights. Included in the income statement is £2,103,751 (2020: £1,916,186) of interest expense.

At 30 November 2021, PMH Holdco Limited had in issue loan notes with PMH Topco Limited. The loans pay 10% compound interest rate and are repayable on the earlier of 14th December 2028 or an exit. At the year-end, £24,675,814 (2020: £22,367,381) of loan notes and £2,317,264 (2020: £2,112,911) of accrued interest was outstanding. Included in the income statement is £2,512,787 (2020: £2,274,491) of interest expense.

Transactions with entities with control, joint control, or significant influence over the entity (continued)

At 30 November 2021, PMH Topco Limited had in issue loan notes to Limerston Capital Partners LLP, an entity with a controlling interest in the company. The loans pay 10% compound interest rate and are repayable on the earlier of 14th December 2028 or an exit. At the year end, £17,488,853 (2020: £15,898,958) of loan notes and £1,600,350 (2020: £1,455,232) of accrued interest was outstanding. Included in the income statement is £1,735,013 (2020: £1,580,262) of interest expense.

At 30 November 2021, PMH Topco Limited had in issue £18,218,788 (2020: £18,218,788) of redeemable preference shares to Limerston Capital Partners LLP, an entity with a controlling interest in the company. At the year-end £5,961,851 (2020: £3,764,079) of accrued interest was outstanding. The preference shares pay 10% compound interest annually and are redeemable on the earlier of 14 December 2028 or an exit. Preference shares do not carry voting rights. Included in the income statement is £2,197,773 (2020: £1,998,867) of interest expense.

Transactions with related entities of which the entity has control, joint control, or significant influence

During the year, sales of goods and services of £2,635,898 (2020: £797,993) were made between Prism UK Medical Limited, Smirthwaite Limited, Harvest Healthcare Limited, Repose Furniture Limited, and other subsidiaries. These transactions are eliminated from the group's results.

During the year, group companies received loans from other group companies. Gross loans amounting to £132,450,244 (2020: £98,332,809) were outstanding at 30 November 2021. Intercompany balances are non-interest bearing and are repayable on demand.

During the year, Repose Furniture Limited paid £83,600 (2020: £nil) in rent for the premises and car park at Repose Furniture Limited, to Davlis Investments Limited, in which a director of Repose Furniture Limited is also a director. At the year-end, £9,488 (2020: £nil) was included in trade creditors in respect of this rental agreement.

39 Explanation of transition to IFRS

This is the first year that the group and company has presented its results under International Financial Reporting Standards (IFRS). The last financial statements under UK GAAP were for the year ended 30 November 2020. The date of transition to IFRS was 1 December 2019. Set out below are the changes in accounting policies which reconcile the loss for the year ended 30 November 2020 and the total equity at 1 December 2019 between UK GAAP as previously reported and IFRS.

(a) IFRS 1: First-time Application of International Financial Reporting Standards

In accordance with IFRS 1 the group is entitled to a number of voluntary and mandatory exemptions from full restatements which have been adopted as follows:

Property, plant and equipment and intangible assets

The group has elected to retain the carrying values under UK GAAP as the deemed cost at transition. The acquisition of Prism Medical Healthcare Limited and its subsidiaries (the trading group) was on the 14 December 2018. At which point, the property, plant and equipment and intangible assets in the group was fair valued at acquisition. The directors consider this would be a reasonable approximation to the fair value as at the date of transition.

Investments in subsidiaries

The carrying value of investments in subsidiaries under FRS 102 has been taken as the deemed cost at the date of transition to IFRS, which is permitted under IFRS 1.

Share-based payment expense

IFRS 2: Share-based Payment has not been applied to equity-settled share-based payments granted on or before 7 November 2002, nor has it been applied to share-based payments granted after 7 November 2002 that vested before the date of transition to IFRS standards.

Business combinations

The directors have elected not to apply IFRS 3: Business Combinations to business combinations that took place before the transition to IFRS but instead has applied it prospectively from the transition date. This means that no retrospective reversal of accumulated goodwill can take place in accordance with IFRS 1. The carrying amount of goodwill at the transition date is the carrying amount under UK GAAP.

Leases

IFRS 16: Leases has optional transitional reliefs and practical expedients permitted for first-time adopters of IFRS, which have been applied as follows:

- Determination of whether contracts existing at the date of transition contain leases based on an assessment of the facts and circumstances existing at that date, instead of determining retrospectively whether a contract contained a lease at the inception date of the contract;
- Recognition and measurement of lease liabilities and right-of-use assets at the date of transition to IFRS. The lease liability is discounted using the incremental borrowing rate at the date of transition to IFRS, and the right-of-use asset is measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of transition to IFRS; and
- The use of a single discount rate has been applied to each portfolio of leases with reasonably similar characteristics.

(b) Explanation of reconciling items between FRS 102 and IFRS

Leases

Under FRS 102, leases where the group is lessee are treated as operating leases where appropriate and rentals are charged on a straight-line basis. On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which were previously classified as operating leases under FRS 102, using the cumulative catch-up approach. These liabilities are measured at the present value of remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition. 5.29% was deemed to be a reasonable approximation of the incremental borrowing rate for all leases at the date of transition by the directors.

39 Explanation of transition to IFRS (continued)

The associated right-of-use assets for leases were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at the transition date.

IFRS 16 does not distinguish between operating leases and finance leases, unlike UK GAAP. As such, the liabilities, and assets in relation to finance leases which existed on the statement of financial position as at the transition date have been transferred into the lease liabilities and right-of-use assets recognised at that date under IFRS.

Business combinations
Under IFRS 3, transaction costs directly attributable to business combinations are recognised through the profit or loss. Under UK GAAP, any costs directly attributable to the business combination are included in the cost of the business combination. The adjustment reduced the value of goodwill on acquisition of Harvest Healthcare Limited and reduced profits recognised by £450,240 for the year ended 30 November 2020.

IFRS 3 prohibits the amortisation of goodwill. The standard requires goodwill to be carried at cost with impairment tested annually and also when there are indicators that the carrying value may not be recoverable, as prescribed by IAS 36. £4,689,237 of goodwill amortisation was reversed in the year ended 30 November 2020.

IFRS 3 states that at the acquisition date the entity should recognise goodwill separately from other intangible assets. Classes of intangible assets recognised under IFRS 3 differ to that of UK GAAP. IFRS 3 requires either contractual *or* separable assets to be identified, whereas UK GAAP only requires contractual *and* separable assets to be identified. The directors revisited the business combination accounting for the acquisition of Harvest Healthcare Limited which took place in the year ended 30 November 2020 and recognised an asset for customer relationships of £2,131,985 at acquisition. Amortisation of £195,432 was then charged on this asset and recognised in the income statement for the year ended 30 November 2020.

IFRS 3 requires deferred taxes in a business combination to be recognised in accordance with IAS 12: Income Tax. As a result of the recognition of the customer relationship asset noted in the paragraph above, an additional deferred tax liability of £405,077 at the date of acquisition was required. Amortisation of £37,132 was released to the profit or loss in relation to this liability in the year ended 30 November 2020.

The changes in identifiable net assets acquired as a result of the adjustments above meant that the non-controlling interest at acquisition increased by £286,313 at acquisition date. This is to reflect the non-controlling interest's proportionate share of the customer relationship asset recognised as is allowable under IFRS 3.

Financial instruments
Under UK GAAP, bad debt provision is calculated on a specific basis per customer. Under IFRS, an "expected loss" impairment model applies, which requires a low allowance to be recognised based on expected credit losses. The directors reviewed the existing bad debt provision in place and compared to the values calculated under an "expected loss" impairment model. The conclusion was that there are no material adjustments which would be required as a result of the transition in this area.

Revenue recognition
IFRS 15 introduced a five-step recognition model for revenue which applies to all contracts with customers, regardless of whether it is a supply of goods or services. UK GAAP has separate recognition criteria for the sale of goods and services. The directors reviewed the applicable revenue streams comparing the accounting under UK GAAP, to the expected accounting under the five-step recognition model. The conclusion was that there are no material adjustments which would be required as a result of the transition in this area.

39 Explanation of transition to IFRS (continued)

Reconciliation of equity under IFRS at transition date – group

					At 1 December 2019
	As previously reported	**Prior year restatement (see note 40)**	**UK GAAP restated**	**Leases**	**IFRS**
	£	**£**	**£**	**£**	**£**
Assets					
Non-current					
Goodwill	35,377,959	-	35,377,959	-	35,377,959
Other intangible assets	11,012,981	728,613	11,741,594	-	11,741,594
Property, plant and equipment	3,591,826	(728,613)	2,863,213	(260,673)	2,602,540
Right-of-use assets	-	-	-	2,707,147	2,707,147
	49,982,766	**-**	***49,982,766***	***2,446,474***	***52,429,240***
Current					
Inventories	5,024,348	-	5,024,348	-	5,024,348
Trade and other receivables	10,605,712	-	10,605,712	-	10,605,712
Cash and cash equivalents	914,780	-	914,780	-	914,780
	16,544,840	-	16,544,840	-	16,544,840
Total assets	**66,527,606**	**-**	**66,527,606**	**2,446,474**	**68,974,080**
Current liabilities					
Trade and other payables	(11,204,687)	-	(11,204,687)	(814,652)	(12,019,339)
Current tax payable	(393,261)	-	(393,261)	-	(393,261)
Net current assets	**4,946,892**	**-**	**4,946,892**	**(814,652)**	**4,132,240**
Non-current liabilities					
Trade and other payables	(4,180,739)	834,955	(3,345,784)	(1,631,822)	(4,977,606)
Borrowings	(58,239,940)	-	(58,239,940)	-	(58,239,940)
Provisions	(318,561)	-	(318,561)	-	(318,561)
Deferred tax liabilities	(2,207,833)	-	(2,207,833)	-	(2,207,833)
Total liabilities	**(76,545,021)**	**834,955**	**(75,710,066)**	**(2,446,474)**	**(78,156,540)**
Net liabilities	**(10,017,415)**	**834,955**	**(9,182,460)**	**-**	**(9,182,460)**
Equity					
Issued share capital	834,205	-	834,205	-	834,205
Accumulated losses	(5,650,131)	834,955	(4,815,176)	-	(4,815,176)
Equity attributable to owners of the parent	**(4,815,926)**	**834,955**	**(3,980,971)**	**-**	**(3,980,971)**
Non-controlling interest	**(5,201,489)**	**-**	**(5,201,489)**	**-**	**(5,201,489)**
Total equity	**(10,017,415)**	**834,955**	**(9,182,460)**	**-**	**(9,182,460)**

Reconciliation of equity under IFRS at transition date – company

There was no impact on the company's equity previously reported under UK GAAP as a result of the transition to IFRS.

39 *Explanation of transition to IFRS (continued)*

Reconciliation of equity under IFRS at 30 November 2020 – group

						At 30 November 2020
	As previously reported	Prior year restatement (see note 40)	UK GAAP restated	Leases	Business combinations	IFRS
	£	£	£	£	£	£
Assets						
Non-current						
Goodwill	38,512,710	-	38,512,710	-	2,798,402	41,311,112
Other intangible assets	13,309,128	729,567	14,038,695	-	1,936,553	15,975,248
Property, plant and equipment	3,698,037	(729,567)	2,968,470	(363,419)	-	2,605,051
Right-of-use assets	-	-	-	5,783,809	-	5,783,809
	55,519,875	**-**	**55,519,875**	**5,420,390**	**4,734,955**	**65,675,220**
Current						
Inventories	6,907,384	-	6,907,384	-	-	6,907,384
Trade and other receivables	11,565,777	-	11,565,777	-	-	11,565,777
Cash and cash equivalents	2,723,491	-	2,723,491	-	-	2,723,491
	21,196,652	**-**	**21,196,652**	**-**	**-**	**21,196,652**
Total assets	**76,716,527**	**-**	**76,716,527**	**5,420,390**	**4,734,955**	**86,871,872**
Current liabilities						
Trade and other payables	(18,135,086)	-	(18,135,086)	(1,323,820)	-	(19,458,906)
Current tax payables	(514,550)	26,168	(488,382)	-	-	(488,382)
Net current assets	**2,547,016**	**26,168**	**2,573,184**	**(1,323,820)**	**-**	**1,249,364**
Non-current liabilities						
Trade and other payables	(8,066,843)	912,990	(7,153,853)	(4,189,617)	-	(11,343,470)
Borrowings	(65,265,420)	-	(65,265,420)	-	-	(65,265,420)
Provisions	(310,842)	-	(310,842)	-	-	(310,842)
Deferred tax liabilities	(2,554,240)	-	(2,554,240)	17,679	(367,945)	(2,904,506)
Total liabilities	**(94,846,981)**	**939,158**	**(93,907,823)**	**(5,495,758)**	**(367,945)**	**(99,771,526)**
Net liabilities	**(18,130,454)**	**939,158**	**(17,191,296)**	**(75,368)**	**4,367,010**	**(12,899,654)**
Equity						
Issued share capital	834,205	-	834,205	-	-	834,205
Accumulated losses:						
Balance brought forward	(5,650,131)	834,955	(4,815,176)	-	-	(4,815,176)
Loss and total comprehensive expense for the year	(7,901,524)	99,864	(7,801,660)	(62,871)	3,404,117	(4,460,414)
Credit to equity for equity settled share-based payments	199,928	-	199,928	-	-	199,928
Equity attributable to owners of the parent	**(12,517,522)**	**934,819**	**(11,582,703)**	**(62,871)**	**3,404,117**	**(8,241,457)**

39 Explanation of transition to IFRS (continued)

Reconciliation of equity under IFRS at 30 November 2020 – group (continued)

	At 30 November 2020					
	As previously reported	Prior year restatement (see note 40)	UK GAAP restated	Leases	Business combinations	IFRS
	£	£	£	£	£	£
Non-controlling interest:						
Balance brought forward	(5,201,489)	-	(5,201,489)	-	-	(5,201,489)
Loss and total comprehensive expense for the year	(1,530,663)	4,339	(1,526,324)	(12,497)	676,580	(862,241)
Acquisition of subsidiaries	1,119,220	-	1,119,220	-	286,313	1,405,533
Total equity	**(18,130,454)**	**939,158**	**(17,191,296)**	**(75,368)**	**4,367,010**	**(12,899,654)**

Reconciliation of equity under IFRS at 30 November 2020 – company

There was no impact on the company's equity previously reported under UK GAAP as a result of the transition to IFRS.

Reconciliation of income statement under IFRS for year ended 30 November 2020 – group

	Year ended 30 November 2020					
	As previously reported	Prior year restatement (see note 40)	UK GAAP restated	Leases	Business combinations	IFRS
	£	£	£	£	£	£
Revenue	53,493,431	-	53,493,431	-	-	53,493,431
Cost of sales	(35,708,954)	-	(35,708,954)	-	-	(35,708,954)
Gross profit	**17,784,477**	**-**	**17,784,477**	**-**	**-**	**17,784,477**
Administrative expenses	(15,401,531)	-	(15,401,531)	115,878	4,043,565	(11,242,088)
Distribution costs	(7,041,871)	-	(7,041,871)	57,366	-	(6,984,505)
Other operating income	795,661	-	795,661	-	-	795,661
Net operating (loss)/profit	**(3,863,264)**	**-**	**(3,863,264)**	**173,244**	**4,043,565**	**353,545**
Finance income	201	-	201	-	-	201
Finance costs	(5,959,572)	78,035	(5,881,537)	(266,291)	-	(6,147,828)
Loss before taxation	**(9,822,635)**	**78,035**	**(9,744,600)**	**(93,047)**	**4,043,565**	**(5,794,082)**
Taxation	390,448	26,168	416,616	(17,679)	72,490	471,427
Loss for the year	**(9,432,187)**	**104,203**	**(9,327,984)**	**(110,726)**	**4,116,055**	**(5,322,655)**
Loss for the financial year is attributable to:						
- Owners of the parent company	(7,901,524)	99,864	(7,801,660)	(92,367)	3,433,613	(4,460,414)
- Non-controlling interests	(1,530,663)	4,339	(1,526,324)	(18,359)	682,442	(862,241)
	(9,432,187)	**104,203**	**(9,327,984)**	**(110,726)**	**4,116,055**	**(5,322,655)**

39 Explanation of transition to IFRS (continued)

Reconciliation of reported profit under IFRS for year ended 30 November 2020 – company

There was no impact on the company's reported profit previously reported under UK GAAP as a result of the transition to IFRS.

Reconciliation of cash flows under IFRS for year ended 30 November 2020 – group

	Year ended 30 November 2020					
	As previously reported	Prior year restatement (see note 40)	UK GAAP restated	Leases	Business combinations	IFRS
	£	£	£	£	£	£
Cash flows from operating activities						
Cash generated from operations	5,086,079	-	5,086,079	1,693,620	(450,240)	6,329,459
Income taxes paid	(125,310)	-	(125,310)	-	-	(125,310)
Net cash generated from operating activities	**4,960,769**	**-**	**4,960,769**	**1,693,620**	**(450,240)**	**6,204,149**
Investing activities						
Purchase of intangible assets	(434,589)	(210,130)	(644,719)	-	-	(644,719)
Purchase of tangible assets	(1,083,668)	210,130	(873,538)	-	-	(873,538)
Purchase of subsidiaries net of cash *acquired*	*(6,560,244)*	-	*(6,560,244)*	-	*450,240*	*(6,110,004)*
Proceeds on disposal of fixed assets	24,168	-	24,168	-	-	24,168
Interest received	200	-	200	-	-	200
Net cash used in investing activities	**(8,054,133)**	**-**	**(8,054,133)**	**-**	**450,240**	**(7,603,893)**
Financing activities						
Proceeds from bank loans	12,400,000	-	12,400,000	-	-	12,400,000
Repayment of bank loans	(4,090,244)	-	(4,090,244)	-	-	(4,090,244)
Repayment of preference shares	(62,707)	-	(62,707)	-	-	(62,707)
Interest paid on preference shares	(7,858)	-	(7,858)	-	-	(7,858)
Repayment of loan notes	(1,355,378)	-	(1,355,378)	-	-	(1,355,378)
Payment of principal element of finance *lease obligations*	(258,287)	-	(258,287)	258,287	-	-
Payment of lease liabilities	-	-	-	(1,660,184)	-	(1,660,184)
Loan fees paid	(131,853)	-	(131,853)	-	-	(131,853)
Interest paid	(1,591,598)	-	(1,591,598)	(291,723)	-	(1,883,321)
***Net cash generated from financing* activities**	**4,902,075**	**-**	**4,902,075**	**(1,693,620)**	**-**	**3,208,455**
Net increase in cash and cash equivalents	1,808,711	-	1,808,711	-	-	1,808,711
Cash and cash equivalents at beginning of year	914,780	-	914,780	-	-	914,780
Cash and cash equivalents at end of year	**2,723,491**	**-**	**2,723,491**	**-**	**-**	**2,723,491**

40 Prior year restatement

Separate to the transition to IFRS, the group has identified a prior year adjustment which has been restated in the tables presented.

1) £372,511 reduction in accumulated losses brought forward at 1 December 2019 and £34,875 reduction in interest payable recognised in the year ended 30 November 2020 for PMH Topco Limited. This adjustment is in relation to the loan notes to properly reflect the period over which interest was payable up to the comparative statement of financial position date. The adjustment reduced other payables by £407,386 at 30 November 2020 and £372,511 at 1 December 2019. The error arose as a result of the use of an incorrect start date in calculating interest due on certain loans.

2) £462,444 reduction in accumulated losses brought forward at 1 December 2019 and £43,160 reduction in interest payable recognised in the year ended 30 November 2020 for PMH Topco Limited. This adjustment is in relation to the preference shares to properly reflect the period over which interest was payable up to the comparative statement of financial position date. The adjustment reduced other payables by £505,604 at 30 November 2020 and £462,444 at 1 December 2019. The error arose as a result of the use of an incorrect start date in calculating interest due on preference shares.

3) £26,168 increase in group tax provision for the year ended 30 November 2020.

4) £728,613 reclassification from property, plant and equipment to other intangible assets brought forward at 1 December 2019, £210,130 reclassification of additions from property, plant and equipment to other intangible assets in the year ended 30 November 2020 and £209,176 reclassification from depreciation charge to amortisation charge for the year ended 30 November 2020. The adjustment increased and reduced other intangible assets and property, plant and equipment respectively by £729,567 at 30 November 2020. The error arose as a result of historic development costs being incorrectly included within plant and equipment.

						Group Year ended 30 November 2020
	As previously reported	**1) Interest on loan notes**	**2) Interest on preference shares**	**3) Tax provision**	**4) Fixed assets**	**UK GAAP restated**
	£	**£**	**£**	**£**	**£**	**£**
Finance costs	(5,959,572)	34,875	43,160	-	-	(5,881,537)
Loss before taxation	**(9,822,635)**	**34,875**	**43,160**	**-**	**-**	**(9,744,600)**
Taxation	390,448	-	-	26,168	-	416,616
Loss for the year	**(9,432,187)**	**34,875**	**43,160**	**26,168**	**-**	**(9,327,984)**
Loss for the financial year is attributable to:						
- Owners of the parent company	(7,901,524)	34,875	43,160	21,829	-	(7,801,660)
- Non-controlling interests	(1,530,663)	-	-	4,339	-	(1,526,324)
	(9,432,187)	**34,875**	**43,160**	**26,168**	**-**	**(9,327,984)**
Cash flows from investing activities						
Purchase of intangible assets	(434,589)	-	-	-	(210,130)	(644,719)
Purchase of tangible assets	(1,083,668)	-	-	-	210,130	(873,538)
Net cash used in investing activities	**(8,054,133)**	**-**	**-**	**-**	**-**	**(8,054,133)**

40 Prior year restatement (continued)

Group At 30 November 2020

	As previously reported £	1) Interest on loan notes £	2) Interest on preference shares £	3) Tax provision £	4) Fixed assets £	UK GAAP restated £
Other intangible assets	13,309,128	-	-	-	729,567	14,038,695
Property, plant and equipment	3,698,037	-	-	-	(729,567)	2,968,470
Total assets	**76,716,527**	**-**	**-**	**-**	**-**	**76,716,527**
Current tax payables	(514,550)	-	-	26,168	-	(488,382)
Other payables	(7,069,315)	407,386	505,604	-	-	(6,156,325)
Total non-current trade and other payables	**(8,066,843)**	**407,386**	**505,604**	**-**	**-**	**(7,153,853)**
Net liabilities	**(18,130,454)**	**407,386**	**505,604**	**26,168**	**-**	**(17,191,296)**
Accumulated losses						
Balance brought forward at 1 *December 2019*	*(5,650,131)*	*372,511*	*462,444*	-	-	*(4,815,176)*
Loss and total comprehensive expense for the year	(7,901,524)	34,875	43,160	21,829	-	(7,801,660)
Credit to equity for equity settled share-based payments	199,928	-	-	-	-	199,928
	(13,351,727)	**407,386**	**505,604**	**21,829**	**-**	**(12,416,908)**
Non-controlling interest						
Balance brought forward at 1 December 2019	(5,201,489)	-	-	-	-	(5,201,489)
Loss and total comprehensive expense for the year	(1,530,663)	-	-	4,339	-	(1,526,324)
Acquisition of subsidiaries	1,119,220	-	-	-	-	1,119,220
Total equity	**(18,130,454)**	**407,386**	**505,604**	**26,168**	**-**	**(17,191,296)**

Company At 30 November 2020

	As previously reported £	1) Interest on loan notes £	2) Interest on preference shares £	UK GAAP restated £
Other payables	(3,764,079)	407,386	505,604	(2,851,089)
Total non-current trade and other payables	**(3,764,079)**	**407,386**	**505,604**	**(2,851,089)**
Net assets	**1,301,648**	**407,386**	**505,604**	**2,214,638**
Accumulated losses				
Balance brought forward at 1 December 2019	56,857	372,511	462,444	891,812
Profit for the year	410,586	34,875	43,160	488,621
	467,443	**407,386**	**505,604**	**1,380,433**
Total equity	**1,301,648**	**407,386**	**505,604**	**2,214,638**