

Company Registration No. 12369721 (England and Wales)

SAFEGUARD MEDICAL HOLDCO LTD
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
1 JULY 2023

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SAFEGUARD MEDICAL HOLDCO LTD

COMPANY INFORMATION

Director	A R Johnson
Company number	12369721
Registered office	The Old Rectory Cherrybrook Close Hope-Under-Dinmore Leominster England HR6 0PW
Auditor	RSM UK Audit LLP Chartered Accountants 103 Colmore Row Birmingham B3 3AG

SAFEGUARD MEDICAL HOLDCO LTD

STRATEGIC REPORT

FOR THE PERIOD ENDED 1 JULY 2023

The director presents the strategic report for the period ended 1 July 2023.

Fair review of the business

Safeguard Medical Holdco Ltd. ("SMH" or "the Company") is the group holding company for subsidiaries that design, manufacture and source for distribution pre-hospital emergency medical equipment and provides medical training courses and consulting for emergency situations. The Company was initially incorporated in December 2019 and is owned by Safeguard Medical Holdco LLC ("Safeguard"), a United States entity. The Company services customers throughout Europe, the United Kingdom, and other international markets. The Company is funded by its US parent and the balance sheet includes a long-term loan from the parent which is not due until 2025.

SMH is headquartered in the UK with subsidiaries in Sweden, Ireland, Norway, Scotland, Switzerland, Australia, South Africa, UAE, Qatar and a branch in Denmark. These results include the results of these subsidiaries which are consolidated in the financial statements of this immediate parent company. EBITDA for the period is a profit of £4,739,000 (2022 restated: loss of £892,000) which is in line with managements expectations and reflects growth in sales, improvements in supply chain and efficiencies in administration costs. The continued growth has resulted in an increase in stock to support the increased demand. Interest to group companies reflects the fact that the interest is compounding over the life of the loan note.

The Company has continued to make investments during the period to support revenue growth opportunities and increase efficiencies as part of the consolidated group of Safeguard companies.

Financial risk management policies and objectives

Liquidity and cashflow risk

The Company seeks to manage risk by ensuring sufficient liquidity is available to meet foreseeable needs. The policy throughout the period has been to achieve this objective through the day to day involvement of management in business decisions. The Company ensures that at all times it maintains capital resources equal to or in excess of their relevant capital resources requirement and it is able to meet its liabilities as they fall due, including a net £1 million credit line with a financial institution and parent company borrowings, which will not be called for repayment in the next 12 months.

Credit risk

The Company's credit risk is primarily attributable to the subsidiaries' trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. Credit control procedures take into account the identified risks relating to its customers.

SMH also has a risk related to the carrying value of its investments. The amounts presented in the balance sheet are net of any impairments. An impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Price risk

The Company is exposed to margin pressures, with the increase in staff costs and is exposed to a level of foreign exchange risk.

Principal risks and uncertainties

Retention of key personnel

SMH is exposed to the risk of losing key personnel. This risk is mitigated by understanding market requirements and utilising methods to develop and retain key members of staff.

SAFEGUARD MEDICAL HOLDCO LTD

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 1 JULY 2023

Technological obsolescence

The Company is potentially exposed to technological and competitor threats to its core product offering. This risk is mitigated through having a robust research and development offering and utilizing additional parent company resources where required.

Regulatory compliance

Management has put measures in place to train staff and remain up to date with all regulatory compliance matters, including the UK new plastic packaging and export documentation requirements.

Cyber Risk

Management have put in systems to identify and monitor potential threats and conduct regular training to ensure staff remain up to date with cyber risks.

Key performance indicators

The key performance indicators of the business are subsidiary revenues and EBITDA.

	Period ended 1 July 2023	Period ended 2 June 2022 restated
Turnover (£'000)	37,057	26,109
EBITDA (£'000)	4,739	(892)

Going concern

The financial statements have been prepared on the going concern basis, notwithstanding loss of £1,280,245 (2022 restated - £3,992,390), which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by Safeguard Medical Holdco LLC, the company's parent undertaking. Safeguard Medical Holdco LLC has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

Based on this understanding, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments which would result from the basis of preparation being inappropriate.

Future developments

The Company benefits from a diverse customer base and a growing portfolio of governmental and industry leading medical and healthcare providers supported by superior customer service. The sales team has grown to support the continued growth to support the increase of market share across the globe. The Company continues to seek opportunities to expand and grow the business and to capitalise on efficiencies in production and supply chain with group companies. For these reasons, management remains confident in the Company's continued success.

On behalf of the board



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A R Johnson

Director

Date: 20-Mar-2024

SAFEGUARD MEDICAL HOLDCO LTD

DIRECTOR'S REPORT

FOR THE PERIOD ENDED 1 JULY 2023

The director presents his annual report and financial statements for the period ended 1 July 2023.

Principal activities

The principal activity of the group is that of the supply of pre-hospital emergency medical equipment and medical training courses and consulting. The principal activity of the company is that of a holding company.

A subsidiary of a fellow group undertaking has an overseas branch in Denmark.

Results and dividends

The results for the period are set out on page 8.

No ordinary dividends were paid. The director does not recommend payment of a further dividend.

Director

The director who held office during the period and up to the date of signature of the financial statements was as follows:

A R Johnson

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its director during the period. These provisions remain in force at the reporting date.

Research and development

The improvement of existing products, together with the identification and development of new products and solutions, are important aspects of the Group's strategy to enhance the quality of service to customers and maintain a competitive advantage. Expenditure on research and development is written off in the period in which it is incurred.

Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Strategic report

Information as required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 including future developments and financial risk management objectives and policies has been included in the Strategic Report.

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 company's auditor is unaware. Additionally, each director has taken all the necessary steps that he ought to have taken as a director in order to make himself aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

DocuSigned by:


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A R Johnson

Director

20-Mar-2024

Date:

SAFEGUARD MEDICAL HOLDCO LTD

DIRECTOR'S RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 1 JULY 2023

The director is responsible for preparing the Strategic Report and the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAFEGUARD MEDICAL HOLDCO LTD

Opinion

We have audited the financial statements of Safeguard Medical Holdco Ltd. (the 'parent company') and its subsidiaries (the 'group') for the period ended 1 July 2023 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 1 July 2023 and of the group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAFEGUARD MEDICAL HOLDCO LTD (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's report.

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

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

Responsibilities of director

As explained more fully in the director's responsibilities statement set out on page 4, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines 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 director is responsible for assessing the group's and the parent 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 director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses, and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAFEGUARD MEDICAL HOLDCO LTD (CONTINUED)

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, tax legislation and Companies Act 2006. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to employment legislation. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these law and regulations and inspecting relevant correspondence.

The group engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and performing tests of detail on revenue transactions during the period and around the period end.

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

Use of our report

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

RSM UK Audit LLP

Richard Eccles FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
103 Colmore Row
Birmingham
B3 3AG

Date: 25 March 2024

SAFEGUARD MEDICAL HOLDCO LTD**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 1 JULY 2023**

		Period ended 1 July 2023	Period ended 2 July 2022 as restated
	Notes	£	£
Turnover	4	37,056,950	26,109,122
Cost of sales		(24,638,436)	(15,637,636)
Gross profit		12,418,514	10,471,486
Distribution costs		-	(134,497)
Administrative expenses		(10,946,495)	(14,438,609)
Other operating income		128,651	57,670
Operating profit/(loss)	7	1,600,670	(4,043,950)
Interest receivable and similar income	9	190,752	127
Interest payable to group undertakings	10	(2,016,819)	(985,965)
Other interest payable and similar expenses	10	(155,298)	(25,559)
Loss before taxation		(380,695)	(5,055,347)
Tax on loss	11	(327,541)	386,054
Loss for the financial period		(708,236)	(4,669,293)
Other comprehensive income net of taxation			
Currency translation differences		(572,009)	676,903
Total comprehensive income for the period		<u>(1,280,245)</u>	<u>(3,992,390)</u>

Loss for the financial period is all attributable to the owners of the parent company.

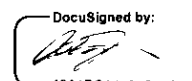
Total comprehensive income for the period is all attributable to the owners of the parent company.

Company Registration No. 12369721

SAFEGUARD MEDICAL HOLDCO LTD**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 1 JULY 2023**

		1 July 2023		2 July 2022 as restated	
	Notes	£	£	£	£
Fixed assets					
Goodwill	12		15,652,060		18,029,588
Other intangible assets	12		4,034,945		4,402,278
Total intangible assets			19,687,005		22,431,866
Tangible assets	13		752,200		1,009,428
			20,439,205		23,441,294
Current assets					
Stocks	16	4,461,300		2,924,456	
Debtors	17	13,787,251		10,462,948	
Cash at bank and in hand		3,091,834		2,939,455	
			21,340,385		16,326,859
Creditors: amounts falling due within one year	18	(17,685,925)		(13,315,306)	
Net current assets			3,654,460		3,011,553
Total assets less current liabilities			24,093,665		26,452,847
Creditors: amounts falling due after more than one year	19		(29,477,966)		(30,281,527)
Provisions for liabilities	22		(1,111,631)		(1,387,007)
Net liabilities			(6,495,932)		(5,215,687)
Capital and reserves					
Called up share capital	25		100		100
Profit and loss reserves	26		(6,496,032)		(5,215,787)
Total equity			(6,495,932)		(5,215,687)

The financial statements were approved and signed by the director and authorised for issue on 20 March 2024.

DocuSigned by:

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 A R Johnson
 Director


Company Registration No. 12369721

SAFEGUARD MEDICAL HOLDCO LTD**COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 1 JULY 2023**

	Notes	1 July 2023		2 July 2022	
		£	£	£	£
Fixed assets					
Tangible assets	13		276		2,458
Investments	14		31,224,819		31,224,819
			<u>31,225,095</u>		<u>31,227,277</u>
Current assets					
Debtors	17	1,708,742		905,138	
Creditors: amounts falling due within one year	18	(14,646,451)		(9,893,485)	
Net current liabilities			<u>(12,937,709)</u>		<u>(8,988,347)</u>
Total assets less current liabilities			18,287,386		22,238,930
Creditors: amounts falling due after more than one year	19		(28,315,832)		(29,069,504)
Provisions for liabilities	22		<u>(82,765)</u>		<u>(207,765)</u>
Net liabilities			<u><u>(10,111,211)</u></u>		<u><u>(7,038,339)</u></u>
Capital and reserves					
Called up share capital	25		100		100
Profit and loss reserves	26		<u>(10,111,311)</u>		<u>(7,038,439)</u>
Total equity			<u><u>(10,111,211)</u></u>		<u><u>(7,038,339)</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's loss for the period was £3,072,872 (2022 - £3,723,518).

The financial statements were approved and signed by the director and authorised for issue on 20 March 2024.

DocuSigned by:

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 A R Johnson
 Director

SAFEGUARD MEDICAL HOLDCO LTD**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 1 JULY 2023**

	Share capital	Profit and loss reserves	Total
	£	£	£
As restated for the period ended 2 July 2022:			
Balance at 1 July 2021	100	(1,223,397)	(1,223,297)
Period ended 2 July 2022:			
Loss for the period (as restated)	-	(4,669,293)	(4,669,293)
Other comprehensive income net of taxation:			
Currency translation differences	-	676,903	676,903
Total comprehensive income for the period (as restated)	-	(3,992,390)	(3,992,390)
Balance at 2 July 2022 (as restated)	100	(5,215,787)	(5,215,687)
Period ended 1 July 2023:			
Loss for the period	-	(708,236)	(708,236)
Other comprehensive income net of taxation:			
Currency translation differences	-	(572,009)	(572,009)
Total comprehensive income for the period	-	(1,280,245)	(1,280,245)
Balance at 1 July 2023	100	(6,496,032)	(6,495,932)

SAFEGUARD MEDICAL HOLDCO LTD

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 1 JULY 2023

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 July 2021	100	(3,314,921)	(3,314,821)
Period ended 2 July 2022:			
Loss and total comprehensive income for the period	-	(3,723,518)	(3,723,518)
Balance at 2 July 2022	100	(7,038,439)	(7,038,339)
Period ended 1 July 2023:			
Loss and total comprehensive income for the period	-	(3,072,872)	(3,072,872)
Balance at 1 July 2023	100	(10,111,311)	(10,111,211)

SAFEGUARD MEDICAL HOLDCO LTD**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 1 JULY 2023**

		1 July 2023		2 July 2022 as restated	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	27	1,567,761		533,388	
Interest paid		(140,917)		(26,086)	
Income taxes paid		(198,709)		(32,195)	
Net cash inflow from operating activities		1,228,135		475,107	
Investing activities					
Purchase of tangible fixed assets		(212,527)		(494,464)	
Proceeds on disposal of tangible fixed assets		(2,201)		133,703	
Interest received		1,579		127	
Net cash used in investing activities		(213,149)		(360,634)	
Financing activities					
Payment of finance leases obligations		(55,671)		(61,104)	
Net cash used in financing activities		(55,671)		(61,104)	
Net increase in cash and cash equivalents		959,315		53,369	
Cash and cash equivalents at beginning of period		1,370,976		1,403,701	
Effect of foreign exchange rates		(201,262)		(86,094)	
Cash and cash equivalents at end of period		2,129,029		1,370,976	
Relating to:					
Cash at bank and in hand		3,091,834		2,939,455	
Bank overdrafts included in creditors payable within one year		(962,805)		(1,568,479)	

SAFEGUARD MEDICAL HOLDCO LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 1 JULY 2023

1 Accounting policies

Company information

Safeguard Medical Holdco Ltd ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is The Old Rectory Cherrybrook Close, Hope-Under-Dinmore, Leominster, England, HR6 0PW.

The group consists of Safeguard Medical Holdco Ltd and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Director's Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of 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.

Reduced disclosure

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statement of the company are consolidated into these financial statements.

Basis of consolidation

The consolidated financial statements incorporate those of Safeguard Medical Holdco Ltd and all of its subsidiaries (i.e. 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 period are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 1 July 2023. 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.

SAFEGUARD MEDICAL HOLDCO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JULY 2023

1 Accounting policies (Continued)

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. 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.

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.

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.

Going concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by Safeguard Medical Holdco LLC, the company's parent undertaking. Safeguard Medical Holdco LLC has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

Based on this understanding, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments which would result from the basis of preparation being inappropriate.

Reporting period

The accounting reference date of the company is 30th June 2023 which does not align to the date in which the accounts are drawn up, being 1 July 2023. This is because the accounts are drawn up to a 52 week period.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), 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.

Service revenue from medical training courses is recognised over time as services are provided.

Research and development expenditure

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

SAFEGUARD MEDICAL HOLDCO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JULY 2023

1 Accounting policies (Continued)

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Negative goodwill

Negative goodwill arises when the cost of a business combination is less than the fair value of the interest in the identifiable assets, liabilities and contingent liabilities acquired. The amount up to the fair value of the non-monetary assets acquired is credited to profit or loss in the period in which those non-monetary assets are recovered. Negative goodwill in excess of the fair values of the non-monetary assets acquired is credited to profit or loss in the periods expected to benefit.

Intangible fixed 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; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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:

Patents and licences	15 years straight line
Trade name and trademarks	5 - 15 years straight line

Tangible fixed assets

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

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

Leasehold improvements	Over the life of the lease
Plant and equipment	3% Straight line
Fixtures and fittings	33% straight line
Computers	33% straight line
Motor vehicles	20% straight line / 25% reducing balance
Training equipment	33% straight line / 20% straight line
Demo lifts and equipment	33% straight line

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 credited or charged to profit or loss.

SAFEGUARD MEDICAL HOLDCO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JULY 2023

1 Accounting policies (Continued)

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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 profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Stocks

Stocks 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 profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Cost is determined using the weighted average cost basis.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments 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.

SAFEGUARD MEDICAL HOLDCO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JULY 2023

1 Accounting policies (Continued)

Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised 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.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

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.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

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

SAFEGUARD MEDICAL HOLDCO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JULY 2023

1 Accounting policies (Continued)

Equity instruments

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

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the period. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

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.

SAFEGUARD MEDICAL HOLDCO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JULY 2023

1 Accounting policies (Continued)

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 stock or fixed assets.

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

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.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments.

Share-based payments

For cash-settled share-based payments, a liability is recognised for the goods and services acquired, measured initially at the fair value of the liability. At the balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the period.

The company have unrecognised incentive-based compensation, that results from grant of equity agreements. For equity rewards the company uses straight line method to amortise costs over the grants respective service periods. The amount of unrecognised compensation for the period totals £Nil (2022: £Nil).

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

SAFEGUARD MEDICAL HOLDCO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JULY 2023

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the director is 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 and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Control

The % of ownership in Prometheus Medical Training Center LLC is 49% and management have made a judgement to determine their level of control over the subsidiary. Management have judged the company have full control over the subsidiary through voting rights and have the right to 100% of profits and dividends. For this reason the company is accounted for as a wholly owned subsidiary undertaking.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Depreciation and amortisation

Depreciation and amortisation are provided on fixed assets based on the estimate useful economic life of those assets. Profit forecasts are used to assess the useful economic life of goodwill and other intangible assets. These are based on management's knowledge of the business, assets and prior experience (See note 12 and 13).

Intangible asset valuations

In attributing value to intangibles assets arising on acquisition, management has made certain assumption in terms of cash flows attributable to development costs. The key assumptions relate to patents and licences, and trade names and trademarks (See note 12).

Impairment of investments, goodwill and other intangible assets

Determining whether the cost of investment, goodwill or other intangible assets are impaired requires an estimation of the value in use of the asset or cash generating units to which they have been allocated or belong. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the asset or cash generation unit and a suitable discount rate in order to calculate present value (See notes 12 and 14).

The valuation of intercompany debtors is reviewed based on the balance sheet position and the forecasts of the related entity. The presentation of intercompany debtors as long term or short term is assessed by management based on expected timing of future cash flows (See note 17).

Carrying value of stock

Stocks are valued at the lower of cost and net realisable value. Net realisable value includes, where necessary, provisions for slow moving stock and obsolete stock. Calculation of these provisions requires judgements to be made which include forecast consumer demand, the promotional, competitive and economic environment and stock loss trends (See note 16).

SAFEGUARD MEDICAL HOLDCO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JULY 2023

2 Judgements and key sources of estimation uncertainty (Continued)

Trade debtors

Trade debtors consist of amounts due from customers. An allowance for doubtful debtors will be recognised when the recoverable amount due from customers is lower than the carrying value. Any allowance will be based on the group's regular assessment of the credit worthiness and financial conditions for the customers (See note 17).

Provisions

The group have made a tax provision relating to a number of uncertain tax positions that the group are currently reviewing and reflects the current best estimate of amounts payable over the medium term (See note 22).

The group have made an unfavourable lease provision that relates to the financial obligation on a property lease (See note 22).

SAFEGUARD MEDICAL HOLDCO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JULY 2023

3 Prior period adjustment

Changes to the statement of financial position - group

	As previously reported £	Adjustment £	As restated at 2 Jul 2022 £
Current assets			
Stocks	3,397,250	(472,794)	2,924,456
Prepayments and accrued income	6,191,374	(25,973)	6,165,401
Creditors due within one year			
Accruals and deferred income	(3,699,796)	(102,343)	(3,802,139)
Provisions for liabilities			
Deferred tax	(392,748)	(26,729)	(419,477)
Net liabilities	<u>(4,587,848)</u>	<u>(627,839)</u>	<u>(5,215,687)</u>
Capital and reserves			
Profit and loss	<u>(4,587,948)</u>	<u>(627,839)</u>	<u>(5,215,787)</u>

Changes to the income statement - group

	As previously reported £	Adjustment £	As restated £
Period ended 2 July 2022			
Cost of sales	(15,036,526)	(601,110)	(15,637,636)
Taxation	412,783	(26,729)	386,054
Loss after taxation	<u>(4,041,454)</u>	<u>(627,839)</u>	<u>(4,669,293)</u>

During the year, a group undertaking accounted for a prior period adjustment.

During the current year, a subsidiary company identified an overstatement of stock at 2 July 2022, amounting to £627,893, an overstatement of prepayments of £25,973 and an understatement of accruals amounting to £102,343.

The impact of this adjustment on the loss after tax for the period ended 2 July 2022 is a decrease of £756,209 and the impact on net assets at 2 July 2022 is a reduction of £756,209.

At a group level, the overstatement of stock at 2 July 2022 is £472,794. This comprises the adjustment in the subsidiary of £627,893 less the impact of a reduction in the provision for unrealised profit in stock at a group level of £155,099.

The overall impact of these adjustments on the consolidated loss after tax for the period ended 2 July 2022 is an increase of £627,839 and an increase in net liabilities of £627,839. The comparative financial information in notes 11, 16, 17, 18 and 23 have been restated.

The net impact of the above adjustments is shown in the above table.

SAFEGUARD MEDICAL HOLDCO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JULY 2023

4 Turnover and other revenue

	Period ended 1 July 2023 £	Period ended 2 July 2022 £
Turnover analysed by class of business		
Sale of goods	28,900,429	19,166,957
Sale of services	8,156,521	6,926,171
Other	-	15,994
	<u>37,056,950</u>	<u>26,109,122</u>
	Period ended 1 July 2023 £	Period ended 2 July 2022 £
Other revenue		
Interest income	1,579	127
R&D tax credit	-	13,710
	<u>-</u>	<u>13,710</u>
	Period ended 1 July 2023 £	Period ended 2 July 2022 £
Turnover analysed by geographical market		
United Kingdom	13,933,762	8,047,203
Europe	13,255,106	10,484,687
USA	2,248,427	1,288,817
Rest of the world	7,619,655	6,288,415
	<u>37,056,950</u>	<u>26,109,122</u>

SAFEGUARD MEDICAL HOLDCO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JULY 2023

5 Employees

The average monthly number of persons (including directors) employed during the period was:

	Group Period ended 1 July 2023 Number	Period ended 2 July 2022 Number	Company Period ended 1 July 2023 Number	Period ended 2 July 2022 Number
Sales	14	23	-	-
Training	52	38	-	-
Production	67	28	-	-
Office and management	34	64	15	15
Total	167	153	15	15

Their aggregate remuneration comprised:

	Group Period ended 1 July 2023 £	Period ended 2 July 2022 £	Company Period ended 1 July 2023 £	Period ended 2 July 2022 £
Wages and salaries	8,270,149	6,965,130	858,974	807,385
Social security costs	653,832	515,130	81,347	83,328
Pension costs	251,864	155,235	32,302	27,121
	9,175,845	7,635,495	972,623	917,834

6 Directors remuneration

The directors of the group are paid by its ultimate parent, Safeguard Medical Holdco LLC. The amount of time spent undertaking their duties is minimal therefore no cost is allocated to the group. Remuneration of key management personnel is shown in note 32.

SAFEGUARD MEDICAL HOLDCO LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 1 JULY 2023****7 Operating profit/(loss)**

	Period ended 1 July 2023 £	Period ended 2 July 2022 £
Operating profit/(loss) for the period is stated after charging/(crediting):		
Exchange (gains)/losses	(336,292)	1,197,994
Research and development costs	7,658	10,820
Depreciation of owned tangible fixed assets	378,167	348,516
Depreciation of tangible fixed assets held under finance leases	15,700	28,605
Loss/(profit) on disposal of tangible fixed assets	61,283	(27,151)
Amortisation of intangible assets	2,744,861	2,774,583
Stocks impairment losses recognised or reversed	529,062	65,951
Share-based payments	-	37,325
Operating lease charges	471,128	467,396

8 Auditor's remuneration

	Period ended 1 July 2023 £	Period ended 2 July 2022 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	155,000	140,000

The audit fees for the groups subsidiaries are borne by the parent entity.

9 Interest receivable and similar income

	Period ended 1 July 2023 £	Period ended 2 July 2022 £
Interest income		
Interest on bank deposits	1,579	127
Other income from investments		
Exchange differences on financing transactions	189,173	-
Total income	190,752	127

SAFEGUARD MEDICAL HOLDCO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JULY 2023

10 Interest payable and similar expenses

	Period ended 1 July 2023	Period ended 2 July 2022
	£	£
Interest on bank overdrafts and loans	139,173	7,994
Interest payable to group undertakings	2,016,819	985,965
Interest on finance leases and hire purchase contracts	1,744	7,367
Unwinding of discount on provisions	14,381	9,960
Other interest	-	238
	<u>2,172,117</u>	<u>1,011,524</u>
Disclosed on the income statement as follows:		
Interest payable to group undertakings	2,016,819	985,965
Other interest payable and similar expenses	155,298	25,559
	<u>2,172,117</u>	<u>1,011,524</u>

11 Taxation

	Period ended 1 July 2023	Period ended 2 July 2022
	£	£
		as restated
Current tax		
UK corporation tax on profits for the current period	24,515	-
Adjustments in respect of prior periods	138,073	(47,146)
Group tax relief	527	-
	<u>163,115</u>	<u>(47,146)</u>
Total UK current tax	163,115	(47,146)
Foreign current tax on profits for the current period	167,688	296,074
	<u>330,803</u>	<u>248,928</u>
Total current tax	330,803	248,928
Deferred tax		
Origination and reversal of timing differences	209,394	(571,848)
Adjustment in respect of prior periods	(212,656)	(63,134)
	<u>(3,262)</u>	<u>(634,982)</u>
Total deferred tax	(3,262)	(634,982)
	<u>327,541</u>	<u>(386,054)</u>
Total tax charge/(credit)	327,541	(386,054)

In the budget on 3 March 2021, the UK Government announced an increase in the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 2021. Deferred tax has been calculated 25% which was the tax rate substantively enacted at 1 July 2021.

For accounting periods that straddle 1 April 2023, company profits/losses arising in an accounting period are apportioned between financial years in which the accounting period falls.

SAFEGUARD MEDICAL HOLDCO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JULY 2023

11 Taxation (Continued)

The total tax charge/(credit) for the period included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	Period ended 1 July 2023 £	Period ended 2 July 2022 £ as restated
Loss before taxation	(380,695)	(5,055,347)
Expected tax credit based on the standard rate of corporation tax in the UK of 20.50% (2 July 2022: 19.00%)	(78,042)	(960,516)
Tax effect of expenses that are not deductible in determining taxable profit	249,505	368,645
Adjustments in respect of prior years	138,073	(110,280)
Depreciation on assets not qualifying for tax allowances	(4,639)	-
Amortisation on assets not qualifying for tax allowances	510,625	440,952
Deferred tax adjustments in respect of prior years	(212,656)	-
Remeasurement in deferred tax rates	37,711	(91,849)
Effect of foreign tax rates	(313,036)	(24,909)
Other differences	-	(8,097)
Taxation charge/(credit)	327,541	(386,054)

SAFEGUARD MEDICAL HOLDCO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JULY 2023

12 Intangible fixed assets

Group	Goodwill	Negative goodwill	Patents and licences	Trade name and trademarks	Total
	£	£	£	£	£
Cost					
At 3 July 2022 and 1 July 2023	23,775,281	(716,094)	1,400,000	3,890,000	28,349,187
Amortisation					
At 3 July 2022	5,745,693	(716,094)	225,555	662,167	5,917,321
Amortisation charged for the period	2,377,528	-	93,333	274,000	2,744,861
At 1 July 2023	8,123,221	(716,094)	318,888	936,167	8,662,182
Carrying amount					
At 1 July 2023	15,652,060	-	1,081,112	2,953,833	19,687,005
At 2 July 2022	18,029,588	-	1,174,445	3,227,833	22,431,866

The company had no intangible fixed assets at 1 July 2023 or 2 July 2022.

The amortisation charge is within administration expenses.

SAFEGUARD MEDICAL HOLDCO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE PERIOD ENDED 1 JULY 2023**

13 Tangible fixed assets									
Group	Leasehold improvements	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Training Demo lifts and equipment	Demo lifts and equipment	Total	
Cost	£	£	£	£	£	£	£	£	
At 3 July 2022	367,231	367,683	348,283	82,825	165,094	95,441	45,209	1,471,766	
Additions	51,755	38,428	29,605	12,333	-	17,115	63,291	212,527	
Disposals	-	-	(47,401)	(10,822)	(49,475)	(74,917)	-	(182,615)	
Exchange adjustments	-	(41,843)	1,218	(3,891)	(1,654)	(670)	-	(46,840)	
At 1 July 2023	418,986	364,268	331,705	80,445	113,965	36,969	108,500	1,454,838	
Depreciation									
At 3 July 2022	111,964	156,986	54,311	41,657	47,899	27,511	12,010	462,338	
Depreciation charged in the period	84,048	108,869	77,116	29,303	40,155	29,494	24,882	393,867	
Eliminated in respect of disposals	-	-	(32,711)	(9,896)	(42,190)	(38,736)	-	(123,533)	
Exchange adjustments	-	(26,720)	1,253	(3,068)	(1,455)	(44)	-	(30,034)	
At 1 July 2023	196,012	249,135	99,969	57,996	44,409	18,225	36,892	702,638	
Carrying amount									
At 1 July 2023	222,974	115,133	231,736	22,449	69,556	18,744	71,608	752,200	
At 2 July 2022	255,267	200,697	293,972	41,168	117,195	67,930	33,199	1,009,428	

SAFEGUARD MEDICAL HOLDCO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JULY 2023

Company	Computers £
Cost	
At 3 July 2022	3,982
Disposals	(2,563)
At 1 July 2023	1,419
Depreciation	
At 3 July 2022	1,524
Depreciation charged in the period	1,256
Eliminated in respect of disposals	(1,637)
At 1 July 2023	1,143
Carrying amount	
At 1 July 2023	276
At 2 July 2022	2,458

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

	Group		Company	
	1 July 2023	2 July 2022	1 July 2023	2 July 2022
	£	£	£	£
Motor vehicles	20,790	65,675	-	-

Leasehold improvements are in respect of costs incurred by the company in respect of a building that is used by the company but leased by a fellow group company.

SAFEGUARD MEDICAL HOLDCO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JULY 2023

14 Fixed asset investments

	Notes	Group 1 July 2023 £	2 July 2022 £	Company 1 July 2023 £	2 July 2022 £
Investments in subsidiaries	15	-	-	31,224,819	31,224,819
Movements in fixed asset investments					
Company					Shares in group undertakings £
Cost or valuation					
At 3 July 2022 and 1 July 2023					53,447,638
Impairment					
At 3 July 2022 and 1 July 2023					22,222,819
Carrying amount					
At 1 July 2023					31,224,819
At 2 July 2022					31,224,819

SAFEGUARD MEDICAL HOLDCO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JULY 2023

15 Subsidiaries

Details of the company's subsidiaries at 1 July 2023 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Prometheus Medical Ltd	1	Supply of pre-hospital emergency medical equipment and medical training courses and consulting	Ordinary shares	100.00	-
Safeguard Medical Technologies Limited	1	Professional, scientific and technical activities	Ordinary shares	100.00	-
Prometheus Medical (Scotland) Limited	2	Medical consulting, management and support to events	Ordinary shares	-	100.00
Simbodies Ltd	1	Professional, scientific and technical activities	Ordinary shares	-	100.00
Safeguard Medical Nordic AB	5	Supply of medical equipment and training	Ordinary shares	-	100.00
Prometheus Medical Ltd, L.L.C	7	Supply of medical training	Ordinary shares	-	100.00
Safeguard Medical Pty Ltd	8	Supply of medical equipment	Ordinary shares	-	100.00
Safeguard Medical Africa (Pty) Ltd	9	Supply of medical equipment and training	Ordinary shares	-	100.00
Prometheus Medical Europe SA	3	Supply of medical consultancy and reachback	Ordinary shares	-	100.00
Prometheus Medical Training Centre LLC	10	Supply of medical training	Ordinary shares	-	100.00
Safeguard Technologies Limited	4	Supply of medical equipment	Ordinary shares	100.00	-
Safeguard Medical Nordic AS	6	Supply of medical equipment and training	Ordinary shares	-	100.00
Safeguard Medical Equipment Trading LLC	11	Supply of medical equipment	Ordinary shares	-	100.00

Registered office addresses (all UK unless otherwise indicated):

- 1 The Old Rectory, Hope-Under-Dinmore, Hereford, Herefordshire, HR6 0PW, England
- 2 4th Floor 115 George Street, Edinburgh, Scotland, EH2 4JN
- 3 Rue Des Bains 35, 1205 Geneve
- 4 Willow Grove, Delgany, Wicklow, A63 XY89, Ireland
- 5 Ekbacksvägen 28, 168 69 Bromma, Sweden
- 6 Kyrkjevegen 334, 4325 Sandnes, Norway
- 7 PO Box 17222, Doha, State of Qatar
- 8 Walker St, Townsville, QLD 4810, Australia
- 9 400 Old Howick Road, Hilton 3245, KwaZulu Natal, South Africa
- 10 Silver Tower, DMCC, Jumeirah Lake Towers, PO Box 340505, Dubai, UAE
- 11 Al Bateen, Abu Dhabi, UAE

The subsidiary companies Simbodies Ltd and Prometheus Medical (Scotland) Limited have taken the exemption in section 479A of the Companies Act 2006 (the Act) from the requirement in the Act for their individual accounts to be audited. The guarantee given by the Company under section 479A of the Act is disclosed in note 29.

SAFEGUARD MEDICAL HOLDCO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JULY 2023

16 Stocks

	Group		Company	
	1 July 2023	2 July 2022 As restated	1 July 2023	2 July 2022
	£	£	£	£
Raw materials and consumables	341,853	256,738	-	-
Finished goods and goods for resale	4,119,447	2,667,718	-	-
	<u>4,461,300</u>	<u>2,924,456</u>	<u>-</u>	<u>-</u>

During the year, an impairment loss on finished goods and goods for resale of £529,062 (2022: £65,951) was recognised within cost of sales.

17 Debtors

	Group		Company	
	1 July 2023	2 July 2022 As restated	1 July 2023	2 July 2022
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	3,826,880	2,938,435	-	-
Amounts owed by group undertakings	1,997,164	82,320	1,032,201	478,279
Other debtors	327,189	839,765	-	-
Prepayments and accrued income	6,579,451	6,165,401	166,714	3,764
	<u>12,730,684</u>	<u>10,025,921</u>	<u>1,198,915</u>	<u>482,043</u>
Deferred tax asset (note 23)	-	-	509,827	423,095
	<u>12,730,684</u>	<u>10,025,921</u>	<u>1,708,742</u>	<u>905,138</u>
Amounts falling due after more than one year:				
Amounts owed by group undertakings	<u>1,056,567</u>	<u>437,027</u>	<u>-</u>	<u>-</u>
Total debtors	<u>13,787,251</u>	<u>10,462,948</u>	<u>1,708,742</u>	<u>905,138</u>

During the year, an impairment loss reversal of £329,140 (2022: £81,123 impairment loss) was recognised in respect of trade receivables due from customers within administrative expenses.

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of payment and are repayable on demand.

SAFEGUARD MEDICAL HOLDCO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JULY 2023

18 Creditors: amounts falling due within one year

		Group		Company	
		1 July 2023	2 July 2022	1 July 2023	2 July 2022
			As restated		
	Notes	£	£	£	£
Bank loans and overdrafts	20	962,805	1,568,479	394,628	305,345
Obligations under finance leases	21	949	27,743	-	-
Other borrowings	20	-	139,345	-	-
Loans from group undertakings	20	2,602,360	-	2,602,360	-
Trade creditors		2,887,160	1,858,711	196,024	77,694
Amounts owed to group undertakings		5,858,677	4,594,945	10,963,646	9,118,788
Corporation tax payable		291,221	120,352	-	-
Other taxation and social security		696,635	585,987	25,793	24,833
Liability for share based payments		-	78,025	-	78,025
Other creditors		506,472	539,580	12,213	12,526
Accruals and deferred income		3,879,646	3,802,139	451,787	276,274
		<u>17,685,925</u>	<u>13,315,306</u>	<u>14,646,451</u>	<u>9,893,485</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of payment and are repayable on demand.

The group's obligations under finance leases are secured by the lessor's charge over the leased assets. The net book value of secured assets is disclosed in note 13.

19 Creditors: amounts falling due after more than one year

		Group		Company	
		1 July 2023	2 July 2022	1 July 2023	2 July 2022
	Notes	£	£	£	£
Obligations under finance leases	21	13,416	42,293	-	-
Loans from group undertakings	20	29,464,550	30,239,234	28,315,832	29,069,504
		<u>29,477,966</u>	<u>30,281,527</u>	<u>28,315,832</u>	<u>29,069,504</u>

The group's obligations under finance leases are secured by the lessor's charge over the leased assets. The net book value of secured assets is disclosed in note 13.

SAFEGUARD MEDICAL HOLDCO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JULY 2023

20 Borrowings

	Group		Company	
	1 July 2023	2 July 2022	1 July 2023	2 July 2022
	£	£	£	£
Bank overdrafts	962,805	1,568,479	394,628	305,345
Loans from group undertakings	32,066,910	30,239,234	30,918,192	29,069,504
Other loans	-	139,345	-	-
	<u>33,029,715</u>	<u>31,947,058</u>	<u>31,312,820</u>	<u>29,374,849</u>
Payable within one year	3,565,165	1,707,824	2,996,988	305,345
Payable after one year	<u>29,464,550</u>	<u>30,239,234</u>	<u>28,315,832</u>	<u>29,069,504</u>

Other loans were settled in December 2022.

Bank overdrafts are annual facilities, subject to review at various dates and are repayable on demand. The average interest rate on bank overdrafts was based on LIBOR plus 2.75%. The overdraft is secured over the assets of the company.

Loans from group undertakings is made up of the following:

£24,427,241 (2022: £24,427,241) unsecured loan note is repayable on 31 January 2025. Interest is recognised at 5.29% in 2022 and 8.39% in 2023. Interest totalling £3,888,590 (2022: £2,089,004) has been accrued in respect of loan notes.

£2,099,494 (2022: £2,455,286) unsecured loan note is repayable on 30 June 2024. Interest is recognised at 5.29% in 2022 and 8.39% in 2023. Interest totalling £282,723 (2022: £97,973) has been accrued in respect of loan notes.

The loans from group undertakings relates to unsecured loan notes of £1,091,281 (2022 - £1,112,313) and £57,439 (2022 - £57,417). The loan notes are repayable May 2025 and interest is accrued at 1.53%. Interest totalling £52,111 (2022 - £19,627) has been accrued in respect of these loan notes.

Loan notes from group undertakings contain foreign exchange adjustments as the lender's denominated currency differs from the borrower's presentational currency.

21 Finance lease obligations

	Group		Company	
	1 July 2023	2 July 2022	1 July 2023	2 July 2022
	£	£	£	£
Future minimum lease payments due under finance leases:				
Less than one year	949	27,742	-	-
Between one and five years	13,416	42,294	-	-
	<u>14,365</u>	<u>70,036</u>	<u>-</u>	<u>-</u>

SAFEGUARD MEDICAL HOLDCO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JULY 2023

21 Finance lease obligations (Continued)

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The Company's obligations under finance leases are secured by the lessor's charge over the leased assets. The net book value of secured assets is disclosed in note 13.

22 Provisions for liabilities

		Group 1 July 2023	2 July 2022 As restated	Company 1 July 2023	2 July 2022
	Notes	£	£	£	£
Dilapidations		20,000	20,000	-	-
Tax provision		608,446	608,446	82,765	207,765
Unfavourable lease		90,946	316,479	-	-
Legal reserve		21,615	22,605	-	-
		741,007	967,530	82,765	207,765
Deferred tax liabilities	23	370,624	419,477	-	-
		1,111,631	1,387,007	82,765	207,765

Movements on provisions apart from deferred tax liabilities:

	Dilapidations	Tax provision	Unfavourable lease provision	Legal reserve	Total
Group	£	£	£	£	£
At 3 July 2022	20,000	608,446	316,479	22,605	967,530
Reversal of provision	-	-	(225,533)	-	(225,533)
Exchange difference	-	-	-	(990)	(990)
At 1 July 2023	20,000	608,446	90,946	21,615	741,007

	Dilapidations	Tax provision	Unfavourable lease provision	Legal reserve	Total
Company	£	£	£	£	£
At 1 July 2022	-	207,765	-	-	207,765
Reversal of provision	-	(125,000)	-	-	(125,000)
At 1 July 2023	-	82,765	-	-	82,765

SAFEGUARD MEDICAL HOLDCO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JULY 2023

22 Provisions for liabilities (Continued)

The movement in tax provision relates to a reclassification between another group undertaking.

Dilapidation

Dilapidation provisions had been created to cover the costs of reinstating the group's leasehold premises at the end of the lease.

Tax provision

The tax provision relates to a number of uncertain tax positions that the group is currently reviewing and reflects the current best estimate of amounts payable over the medium term.

Unfavourable lease provision

Unfavourable lease provision relates to the financial obligation on a property lease and is expected to be released by 2024.

Legal reserve

Legal reserve provision relates to a subsidiaries local law of providing for 10% of net profits until 50% of share capital is set aside.

23 Deferred taxation

The major deferred tax liabilities and assets recognised by the group and company are:

	Liabilities 1 July 2023	Liabilities 2 July 2022 As restated
Group	£	£
Fixed asset timing differences	(37,368)	(79,724)
Short term timing differences	47,276	114,765
Deferred tax on business combinations and other fair value adjustments	(960,373)	(1,000,400)
Tax losses	579,841	545,882
	<u>(370,624)</u>	<u>(419,477)</u>
	Assets 1 July 2023	Assets 2 July 2022
Company	£	£
Fixed asset timing differences	(69)	(615)
Short term timing differences	1,346	1,674
Tax losses	508,550	422,036
	<u>509,827</u>	<u>423,095</u>

SAFEGUARD MEDICAL HOLDCO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JULY 2023

23 Deferred taxation (Continued)

	Group 1 July 2023 £	Company 1 July 2023 £
Movements in the period:		
Liability/(Asset) at 3 July 2022	419,477	(423,095)
Credit to profit or loss	(48,853)	(86,732)
Liability/(Asset) at 1 July 2023	<u>370,624</u>	<u>(509,827)</u>

The deferred tax liability arising on business combinations set out above is expected to reverse within 6.5 years and relates to fair value uplifts on previous business combinations. Other deferred tax liabilities relate to other timing differences and are expected to reverse within 3 years.

24 Retirement benefit schemes

	Period ended 1 July 2023 £	Period ended 2 July 2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>251,864</u>	<u>155,235</u>

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 totalling £70,015 (2022 - £64,741) were payable to the fund at the period end and are included within other creditors.

25 Share capital

	Group and Company			
	1 July 2023 Number	2 July 2022 Number	1 July 2023 £	2 July 2022 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Each share has full rights in the company with respect to voting, dividends and distributions.

26 Reserves

Profit and loss reserves

The profit and loss reserves represents cumulative profits and losses for the company net of distributions to owners.

SAFEGUARD MEDICAL HOLDCO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JULY 2023

27 Cash generated from group operations

	Period ended 1 July 2023 £	Period ended 2 July 2022 As restated £
Loss for the period after tax	(708,236)	(4,669,293)
Adjustments for:		
Taxation charged/(credited)	327,541	(386,054)
Finance costs	2,172,117	1,011,524
Investment income	(1,579)	(127)
Loss/(gain) on disposal of tangible fixed assets	61,283	(27,151)
Amortisation and impairment of intangible assets	2,744,861	2,774,583
Depreciation and impairment of tangible fixed assets	393,867	377,121
Foreign exchange gains on borrowings	(189,173)	368,232
(Decrease)/increase in provisions	(240,904)	572,711
Movements in working capital:		
Increase in stocks	(1,603,789)	(991,107)
Increase in debtors	(4,264,674)	(2,026,680)
Increase in creditors	2,876,447	3,529,629
Cash generated from operations	1,567,761	533,388

28 Analysis of changes in net debt - group

	3 July 2022 £	Cash flows £	Non-cash movements £	Exchange rate movements £	1 July 2023 £
Cash at bank and in hand	2,939,455	353,641	-	(201,262)	3,091,834
Bank overdrafts	(1,568,479)	605,674	-	-	(962,805)
	1,370,976	959,315	-	(201,262)	2,129,029
Borrowings excluding overdrafts	(30,239,234)	-	(2,016,819)	189,143	(32,066,910)
Other borrowings	(139,345)	139,345	-	-	-
Obligations under finance leases	(70,036)	55,671	-	-	(14,365)
	(29,077,639)	1,154,331	(2,016,819)	(12,119)	(29,952,246)

SAFEGUARD MEDICAL HOLDCO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JULY 2023

29 Financial commitments, guarantees and contingent liabilities

Borrowings of another group company, are secured on the assets of the group. At 1 July 2023, these bank borrowings totalled £952,877 (2022 - £665,648).

Safeguard Medical Holdco Ltd has guaranteed the liabilities of the following subsidiaries in order for them to qualify for the exemption from audit under section 479A of the Companies Act 2006 in respect of the period ended 1 July 2023:

- Simbodies Ltd – company number 06512328
- Prometheus Medical (Scotland) Limited – company number SC371927

The group has a contingent liability in respect of contingent consideration arising from an acquisition in 2020 that may be payable in 2025 based on results for the year ended 31 December 2024. Management have assessed the likelihood of payment as possible but not probable based on current trading levels therefore no provision has been made. The maximum liability is £1 million.

30 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	1 July 2023	2 July 2022	1 July 2023	2 July 2022
	£	£	£	£
Within one year	319,422	221,527	4,884	-
Between one and five years	391,959	238,502	-	-
In over five years	-	39,667	-	-
	<u>711,381</u>	<u>499,696</u>	<u>4,884</u>	<u>-</u>

31 Events after the reporting date

On 19 January 2024, it was announced that Safeguard Medical had accepted an offer to sell subsidiary Prometheus Medical Training Centre in UAE, as well as the Training & Consulting business in Safeguard Medical Holdco Ltd, Prometheus Medical Ltd and Safeguard Medical Nordic AS to Response Plus Holding. The sale is expected to close by 30 April 2024.

32 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel of the group, who are also directors, is as follows.

	Period ended 1 July 2023 £	Period ended 2 July 2022 £
Aggregate compensation	<u>704,655</u>	<u>476,830</u>

SAFEGUARD MEDICAL HOLDCO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 1 JULY 2023

32 Related party transactions (Continued)

Transactions with related parties

During the period the group entered into the following transactions with related parties:

	Sales			
	Period ended	Period ended	Period ended	Period ended
	1 July 2023	2 July 2022	1 July 2023	2 July 2022
	£	£	£	£
Group				
Transactions with companies controlled by a common director	-	24,527		
	Consultancy		Other expenses	
	Period ended	Period ended	Period ended	Period ended
	1 July 2023	2 July 2022	1 July 2023	2 July 2022
	£	£	£	£
Group				
Other related parties	60,000	60,000	56,842	110,320

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	1 July 2023	2 July 2022
	Balance	Balance
	£	£
Group		
Other related parties	-	19,650

Other information

At 1 July 2023, £82,803 (2022 - £44,800) is repayable from key management, and is included within other debtors.

33 Controlling party

The immediate parent undertaking was Safeguard Medical Holdco LLC.

The smallest and largest group in which the results of the company are consolidated is that headed by Safeguard Medical Holdco LLC, a company incorporated in United States of America. The results are not publicly available.