

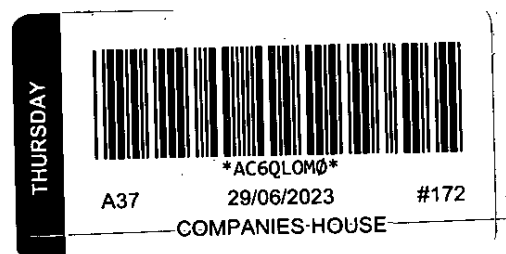
Registered number: 13464075

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## CMB HEALTHCARE HOLDINGS LTD

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### ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022



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## **CMB HEALTHCARE HOLDINGS LTD**

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### **COMPANY INFORMATION**

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<b>Directors</b>	D J Deitz (appointed 26 September 2022) T20 Pioneer Holdings Limited (appointed 26 September 2022) C M Bailes (appointed 18 June 2021, resigned 26 September 2022)
<b>Registered number</b>	13464075
<b>Registered office</b>	The Heath Business and Technical Park Runcorn Cheshire WA7 4QX
<b>Independent auditor</b>	MHA Century House The Lakes Northampton NN4 7HD

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**CMB HEALTHCARE HOLDINGS LTD**

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## CMB HEALTHCARE HOLDINGS LTD

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### GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 30 JUNE 2022

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#### Introduction

The directors present their report for the year ended 30 June 2022.

#### Business review

The directors consider turnover and gross profit margin to be important measures of performance as they have a direct bearing on operating profit.

During the period ended 30 June 2022, revenues were £15.5m, producing a gross profit of 3.5m. The company made a pre-tax loss of £0.6m, the loss was attributable to increased pay costs which were caused by challenges in workforce availability.

CMB Healthcare Holdings Ltd purchased CRG Medical Limited and HCRG Medical Limited on 23 August 2021.

CMB Healthcare Holdings Ltd was sold to the HCRG Care Group in September 2022, and its new Directors have established plans to increase profitability and accelerate the company's forward growth strategy.

#### Principal risks and uncertainties

The major risks that could impact the business are as follows:

##### *COVID-19 Pandemic*

The ongoing COVID-19 pandemic remains a risk as the future of the pandemic, and any potential restrictions or changes to operation of forensic medical staffing sector is uncertain.

The business has, however, demonstrated its response procedures have been robust and had minimal impact to the Group's financial performance and at the time of signing these accounts, expects this to continue.

##### *Shortage of qualified professionals*

Across England, there are shortages in some key professionalisms which enhances the significant risk regarding the retention and recruitment of qualified professionals.

The senior management team have worked hard to retain existing staff and move quickly to recruit to supplement leavers whenever the opportunities have arisen. This approach has enabled the company to consistently main stronger than average staffing levels across all contracts. This is one of the key factors of focus in ensuring the company retains the confidence and support of all customers over what are relatively lengthy contract terms and which itself underpins the commercial viability an reinforces confidence as a going concern.

##### *Cash Flow Risk*

From a financial perspective, there are long term funding arrangements in place with the company's only lender, Close Bros. which ensures the business operates with sufficient working capital at all times and cash is managed with significant month-end headroom in line with cash covenants set out in the Close Bros. facility letters.

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## CMB HEALTHCARE HOLDINGS LTD

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2022

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#### Future developments

The continued provision of high-quality services and safety is a top priority for 2022-23, as does retaining existing service contracts and growing sustainably. The Board has aligned on three strategic aims: transformation, growth and sustainability, underpinned by the following strategic priorities and objectives:

1. *Delivery of Transformation*
  - Drive tangible quality outcomes to promote the success and impact of our transformational work
  - Be a responsive provider, meet the expectations of our customers/stakeholders
  - Empower leaders to drive a culture of transformation & change across the organisation
  - Attract, retain and develop a high performing and sustainable workforce
2. *Growth*
  - Continue to grow and retain key contracts in focused areas where we can make a difference
  - Leverage existing market strength
3. *Sustainable and efficient business*
  - Maintain financial sustainability
  - Achieve internal efficiencies to deliver improved business results and effective processes

This report was approved by the board on 15 June 2023 and signed on its behalf.



**D J Deitz**  
Director

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**CMB HEALTHCARE HOLDINGS LTD**

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**DIRECTORS' REPORT  
FOR THE PERIOD ENDED 30 JUNE 2022**

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The directors present their report and the financial statements for the period ended 30 June 2022.

**Principal activity**

The principal activity of the Group is forensic and medical staffing solutions.

**Results and dividends**

The loss for the period, after taxation, amounted to £650,329.

There were no dividends paid during the year.

**Director**

The director who served during the period was:

C M Bailes (appointed 18 June 2021, resigned 26 September 2022)

**Disclosure of information to auditor**

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

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

**Post balance sheet events**

There have been no significant events affecting the Group since the year end.

**Auditor**

Following a rebranding exercise on 15 May 2023 the trading name of the Group's independent auditor changed from MHA MacIntyre Hudson to MHA. A resolution to reappoint MHA as independent auditor will be proposed at the next Annual General Meeting in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 15 June 2023 and signed on its behalf.



**D J Deitz**  
Director

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**CMB HEALTHCARE HOLDINGS LTD**

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**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE PERIOD ENDED 30 JUNE 2022**

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The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

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

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

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

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

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## **CMB HEALTHCARE HOLDINGS LTD**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CMB HEALTHCARE HOLDINGS LTD**

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#### **Opinion**

We have audited the financial statements of CMB Healthcare Holdings Ltd (the 'parent Company') and its subsidiaries (the 'Group') for the period ended 30 June 2022, which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 June 2022 and of the Group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.



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## **CMB HEALTHCARE HOLDINGS LTD**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CMB HEALTHCARE HOLDINGS LTD (CONTINUED)**

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#### **Other information**

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

We have nothing to report in this regard.

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

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

- the information given in the Group Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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## **CMB HEALTHCARE HOLDINGS LTD**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CMB HEALTHCARE HOLDINGS LTD (CONTINUED)**

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#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 directors either intend to liquidate the Group or the parent Company or to cease operations, or have 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 Group 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:

- Enquiry of management around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and review of accounting estimates for bias;
- Reviewing financial statement disclosures and testing supporting documentation to assess compliance.

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

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**CMB HEALTHCARE HOLDINGS LTD**

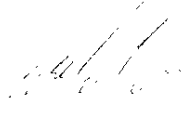
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CMB HEALTHCARE HOLDINGS LTD  
(CONTINUED)**

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**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.



Guy Hodgkinson BA ACA (Senior Statutory Auditor)

for and on behalf of  
**MHA**

Statutory Auditor

Northampton, United Kingdom

15 June 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales.

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**CMB HEALTHCARE HOLDINGS LTD**

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 JUNE 2022**

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	Note	2022 £
Turnover	4	15,494,380
Cost of sales		(11,986,950)
<b>Gross profit</b>		<b>3,507,430</b>
Administrative expenses		(3,924,578)
<b>Operating (loss)/profit</b>	5	<b>(417,148)</b>
Interest payable and similar expenses	9	(233,181)
<b>(Loss)/profit before taxation</b>		<b>(650,329)</b>
<b>(Loss)/profit for the financial period</b>		<b>(650,329)</b>
<b>(Loss) for the period attributable to:</b>		
Owners of the parent Company		(650,329)
<b>Total comprehensive income for the period attributable to:</b>		
Owners of the parent Company		(650,329)

There was no other comprehensive income for 2022.

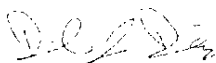
The notes on pages 16 to 31 form part of these financial statements.

**CMB HEALTHCARE HOLDINGS LTD**  
**REGISTERED NUMBER: 13464075**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2022**

	Note	2022 £
<b>Fixed assets</b>		
Intangible assets	11	1,431,497
Tangible assets	12	26,405
		<u>1,457,902</u>
<b>Current assets</b>		
Stocks	14	65,213
Debtors: amounts falling due within one year	15	2,824,182
Cash at bank and in hand		342,882
		<u>3,232,277</u>
Creditors: amounts falling due within one year	16	<u>(4,928,741)</u>
<b>Net current (liabilities)/assets</b>		<u>(1,696,464)</u>
<b>Total assets less current liabilities</b>		<u>(238,562)</u>
Creditors: amounts falling due after more than one year		(411,667)
<b>Provisions for liabilities</b>		
<b>Net assets excluding pension asset</b>		<u>(650,229)</u>
<b>Net (liabilities)/assets</b>		<u><u>(650,229)</u></u>
<b>Capital and reserves</b>		
Called up share capital	19	100
Profit and loss account	20	(650,329)
<b>Equity attributable to owners of the parent Company</b>		<u><u>(650,229)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 June 2023.



**D J Deitz**  
Director

The notes on pages 16 to 31 form part of these financial statements.

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**CMB HEALTHCARE HOLDINGS LTD**  
**REGISTERED NUMBER: 13464075**

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**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2022**

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	Note	2022 £
<b>Fixed assets</b>		
Investments	13	1,778,370
		<u>1,778,370</u>
<b>Current assets</b>		
Debtors: amounts falling due within one year	15	100
		<u>100</u>
Creditors: amounts falling due within one year	16	(1,778,370)
		<u>(1,778,370)</u>
<b>Net current (liabilities)/assets</b>		<u>(1,778,270)</u>
<b>Total assets less current liabilities</b>		<u>100</u>
<b>Net assets</b>		<u>100</u>
<b>Capital and reserves</b>		
Called up share capital	19	100
<b>Total equity</b>		<u>100</u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not present its own Statement of Comprehensive Income in these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 June 2023.



**D J Deitz**  
Director

The notes on pages 16 to 31 form part of these financial statements.

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**CMB HEALTHCARE HOLDINGS LTD**

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2022**

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	Called up share capital £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
<b>Comprehensive income for the period</b>				
Loss for the period	-	(650,329)	(650,329)	(650,329)
<b>Total comprehensive income for the period</b>	-	(650,329)	(650,329)	(650,329)
<b>Contributions by and distributions to owners</b>				
Shares issued during the period	100	-	100	100
<b>Total transactions with owners</b>	100	-	100	100
<b>At 30 June 2022</b>	100	(650,329)	(650,229)	(650,229)

The notes on pages 16 to 31 form part of these financial statements.

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**CMB HEALTHCARE HOLDINGS LTD**

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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2022**

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	<b>Called up share capital</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>
At 18 June 2021	-	-
Profit for the period	-	-
	<hr/>	<hr/>
<b>Total comprehensive income for the period</b>	-	-
	<hr/>	<hr/>
<b>Contributions by and distributions to owners</b>		
Shares issued during the period	100	100
	<hr/>	<hr/>
<b>Total transactions with owners</b>	100	100
	<hr/>	<hr/>
<b>At 30 June 2022</b>	100	100
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 16 to 31 form part of these financial statements.



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**CMB HEALTHCARE HOLDINGS LTD**

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**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 JUNE 2022**

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	2022 £
<b>Cash flows from operating activities</b>	
(Loss)/profit for the financial period	(650,329)
<b>Adjustments for:</b>	
Amortisation of intangible assets	137,197
Depreciation of tangible assets	12,572
Interest paid	233,181
(Increase)/decrease in stocks	(8,677)
Decrease in debtors	2,838,650
(Decrease)/increase in creditors	(2,578,608)
Pre-acquisition loss of subsidiaries	77,669
<b>Net cash generated from operating activities</b>	<u>61,655</u>
<b>Cash flows from investing activities</b>	
Purchase of tangible fixed assets	(30,428)
Purchase of fixed asset investments	(1,778,370)
<b>Net cash from investing activities</b>	<u>(1,808,798)</u>
<b>Cash flows from financing activities</b>	
Issue of ordinary shares	100
New secured loans	541,667
Other new loans	1,781,439
Interest paid	(233,181)
<b>Net cash used in financing activities</b>	<u>2,090,025</u>
<b>Net increase in cash and cash equivalents</b>	<u>342,882</u>
<b>Cash and cash equivalents at the end of period</b>	<u><u>342,882</u></u>
<b>Cash and cash equivalents at the end of period comprise:</b>	
Cash at bank and in hand	342,882
	<u><u>342,882</u></u>

The notes on pages 16 to 31 form part of these financial statements.

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**CMB HEALTHCARE HOLDINGS LTD**

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**CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE PERIOD ENDED 30 JUNE 2022**

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	<b>Cash flows</b>	<b>Bank loan</b>	<b>Invoice discounting facility</b>	<b>At 30 June 2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	342,882	-	-	342,882
Debt due after 1 year	-	-	-	-
Debt due within 1 year	-	(541,667)	(1,781,439)	(2,323,106)
	<u>342,882</u>	<u>(541,667)</u>	<u>(1,781,439)</u>	<u>(1,980,224)</u>

The notes on pages 16 to 31 form part of these financial statements.

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## **CMB HEALTHCARE HOLDINGS LTD**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022**

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#### **1. General information**

CMB Healthcare Holdings Limited is a limited liability entity, limited by shares, incorporated and registered in England, registered number 13464075 and has its principal place of business at The Heath Business and Technical Park, Runcorn, Cheshire, WA7 4QX.

The Company was incorporated on 18 June 2021 and extended its first accounting period to 30 June 2022 to be in accordance with its subsidiary company.

The principal activity of the Company is a holding company.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available under FRS 102:

- No cash flow statement has been prepared for the parent Company;
- Disclosures in respect of the parent Company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent Company as their remuneration is included in the totals for the Group as a whole.

The following principal accounting policies have been applied:

##### **2.2 Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

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## CMB HEALTHCARE HOLDINGS LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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## 2. Accounting policies (continued)

### 2.3 Going concern

The directors have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment.

Whilst the Group has net liabilities of £650,229, the parent entity, HCRG Care Group Holdings (parent of the "HCRG Care Group") has provided a letter of support and will continue support for at least 12 months forward.

The Group meets its day-to-day working capital requirements through an invoice discounting facility. The current economic conditions create uncertainty over the availability of finance, however, the Group has a strong relationship with its financiers and there is no indication of support being withdrawn in the near future. The Group also has parent guarantee and support of the wider Group for this facility.

Considering the above and the current forecasts and projections, which show a return to profitability over the next 12 months from date of signing, the directors believe the going concern basis is appropriate.

### 2.4 Revenue

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

#### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

### 2.5 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

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## **CMB HEALTHCARE HOLDINGS LTD**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022**

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

### **2.6 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

### **2.7 Borrowing costs**

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

### **2.8 Pensions**

#### **Defined contribution pension plan**

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

### **2.9 Taxation**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

### **2.10 Intangible assets**

#### **Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

#### **Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

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## CMB HEALTHCARE HOLDINGS LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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#### 2. Accounting policies (continued)

##### 2.11 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Fixtures and fittings	-	25%
Computer equipment	-	33%

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

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

##### 2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 2.13 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### 2.14 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

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## CMB HEALTHCARE HOLDINGS LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

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#### 2. Accounting policies (continued)

##### 2.16 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### 2.17 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

#### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experiences 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affect both current and future periods.

The key sources of estimation uncertainty relate to the useful economic life of purchased goodwill. The has been estimated as 10 years. The individual amounts of purchased goodwill are also reviewed annually for any signs of impairment against the results of the purchased business.

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**CMB HEALTHCARE HOLDINGS LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2022**

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**4. Turnover**

	<b>2022</b>
	<b>£</b>
Turnover	<b>15,494,380</b>

All turnover arose within the United Kingdom.

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

**5. Operating (loss)/profit**

The operating (loss)/profit is stated after charging:

	<b>2022</b>
	<b>£</b>
Other operating lease rentals	<b>47,227</b>

**6. Auditor's remuneration**

During the period, the Group obtained the following services from the Company's auditor:

	<b>2022</b>
	<b>£</b>
Fees payable to the Company's auditor for the audit of the consolidated and parent Company's financial statements	<b>17,000</b>



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**CMB HEALTHCARE HOLDINGS LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2022**

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**7. Employees**

Staff costs were as follows:

	<b>Group 2022 £</b>	<b>Company 2022 £</b>
Wages and salaries	7,521,991	-
Social security costs	842,931	-
Cost of defined contribution scheme	172,460	-
	<u>8,537,382</u>	<u>-</u>

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

	<b>2022 No.</b>
Administrative	57
Operational	226
	<u>283</u>

**8. Directors' remuneration**

	<b>2022 £</b>
Directors' emoluments	106,039
Group contributions to defined contribution pension schemes	2,746
	<u>108,785</u>

The only key management personnel is considered to be the director, who's remuneration is disclosed above. There is also a £22,500 loan account balance owed from the Director.

**9. Interest payable and similar expenses**

	<b>2022 £</b>
Interest on invoice finance arrangements	<u>233,181</u>

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**CMB HEALTHCARE HOLDINGS LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2022**

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**10. Taxation**

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

**Factors affecting tax charge for the period**

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	<b>2022 £</b>
(Loss)/profit on ordinary activities before tax	<b>(650,329)</b>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	<b>(123,563)</b>
<b>Effects of:</b>	
Expenses not deductible for tax purposes - fixed asset differences	<b>(771)</b>
Expenses not deductible - other	<b>2,296</b>
Expenses not deductible - consolidation adjustments	<b>46,546</b>
Deferred tax not recognised	<b>99,331</b>
Tax rate changes	<b>(23,839)</b>
<b>Total tax charge for the period</b>	<b>-</b>

**Factors that may affect future tax charges**

The Group has an unrecognised deferred tax asset of £120,758 and an unrecognised liability of £6,601.

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**CMB HEALTHCARE HOLDINGS LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2022**

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**11. Intangible assets**

**Group**

	<b>Goodwill £</b>
<b>Cost</b>	
On acquisition of subsidiaries	<b>1,568,694</b>
At 30 June 2022	<b>1,568,694</b>
<b>Amortisation</b>	
Charge for the period on owned assets	<b>137,197</b>
At 30 June 2022	<b>137,197</b>
<b>Net book value</b>	
At 30 June 2022	<b>1,431,497</b>

Goodwill was created following a business combination in the year, further details are included in note 21.

The goodwill is split between the goodwill acquired in the subsidiary completion balance sheet of £503,207 and the goodwill arising on consolidation of £1,065,487. Total goodwill is therefore £1,568,694.

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**CMB HEALTHCARE HOLDINGS LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2022**

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**12. Tangible fixed assets**

**Group**

	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>			
Additions	4,184	26,244	30,428
Acquisition of subsidiary	528	8,021	8,549
At 30 June 2022	<u>4,712</u>	<u>34,265</u>	<u>38,977</u>
<b>Depreciation</b>			
Charge for the period on owned assets	1,346	11,226	12,572
At 30 June 2022	<u>1,346</u>	<u>11,226</u>	<u>12,572</u>
<b>Net book value</b>			
At 30 June 2022	<u><u>3,366</u></u>	<u><u>23,039</u></u>	<u><u>26,405</u></u>

**13. Fixed asset investments**

**Company**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
Additions	1,778,370
At 30 June 2022	<u><u>1,778,370</u></u>

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**CMB HEALTHCARE HOLDINGS LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2022**

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**13. Fixed asset investments (continued)**

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company. All of the active 100% owned subsidiaries have taken advantage of the exemption in S479A of the Companies Act 2006 not to be individually audited on the basis that the group financial statements are audited.

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>
CRG Medical Services Limited	Ordinary	100%
HCRG Medical Services Limited	Ordinary	100%

The registered office of both subsidiaries is The Heath Business and Technical Park, Runcorn, Cheshire, England, WA7 4QX.

**14. Stocks**

	<b>Group 2022 £</b>
Finished goods and goods for resale	<b>65,213</b>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

**15. Debtors**

	<b>Group 2022 £</b>	<b>Company 2022 £</b>
Trade debtors	<b>2,319,679</b>	-
Other debtors	<b>76,100</b>	<b>100</b>
Prepayments and accrued income	<b>428,403</b>	-
	<b>2,824,182</b>	<b>100</b>

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**CMB HEALTHCARE HOLDINGS LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2022**

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**16. Creditors: Amounts falling due within one year**

	<b>Group 2022 £</b>	<b>Company 2022 £</b>
Bank loans	130,000	-
Invoice discounting facility	1,781,439	-
Trade creditors	1,584,783	-
Amounts owed to group undertakings	-	1,778,370
Other taxation and social security	917,164	-
Other creditors	60,183	-
Accruals and deferred income	455,172	-
	<u>4,928,741</u>	<u>1,778,370</u>

The loans are secured by fixed charges over all entities within the Group.

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

	<b>Group 2022 £</b>
Bank loans	<u>411,667</u>

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**CMB HEALTHCARE HOLDINGS LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2022**

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**18. Loans**

	<b>Group 2022 £</b>
<b>Amounts falling due within one year</b>	
Bank loans	<b>130,000</b>
Invoice discounting facility	<b>1,781,439</b>
<b>Amounts falling due 1-2 years</b>	
Bank loans	<b>130,000</b>
<b>Amounts falling due 2-5 years</b>	
Bank loans	<b>281,667</b>
	<hr/> <b>2,323,106</b> <hr/>

The bank loan attracts interest of 6.5% and is due for repayment by August 2026. The loan is secured by fixed charges over all entities within the Group

**19. Share capital**

	<b>2022 £</b>
<b>Allotted, called up and fully paid</b>	
90 A ordinary shares of £1.00 each	<b>90</b>
10 B ordinary shares of £1.00 each	<b>10</b>
	<hr/> <b>100</b> <hr/>

On 26 September 2022, the Company's ordinary shares were redesignated as 90 A ordinary shares and 10 B ordinary shares.

**20. Reserves**

**Profit and loss account**

The profit and loss account reserve includes current period retained losses.

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**CMB HEALTHCARE HOLDINGS LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2022**

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**21. Business combinations**

CMB Healthcare Holdings Ltd purchased CRG Medical Services Ltd and HCRG Medical Services Limited on 23 August 2021, for consideration of £1,710,850.

**Acquisition of CRG Medical Services Ltd and HCRG Medical Services Limited**

**Recognised amounts of identifiable assets acquired and liabilities assumed**

	Book value £	Fair value adjustments £	Fair value £
<b>Fixed Assets</b>			
Tangible	8,549	-	8,549
Intangible	503,207	-	503,207
	<u>511,756</u>	<u>-</u>	<u>511,756</u>
<b>Current Assets</b>			
Stocks	202,667	(146,131)	56,536
Debtors	5,662,832	-	5,662,832
	<u>6,377,255</u>	<u>(146,131)</u>	<u>6,231,124</u>
<b>Total Assets</b>			
<b>Creditors</b>			
Due within one year	(5,536,034)	(59,876)	(5,595,910)
	<u>841,221</u>	<u>(206,007)</u>	<u>635,214</u>
<b>Total identifiable net assets</b>			
Goodwill			1,065,487
Pre-acquisition loss			77,669
			<u>1,778,370</u>
<b>Total purchase consideration</b>			
			<u>1,778,370</u>
<b>Consideration</b>			
			£
Equity instruments			<u>1,778,370</u>



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**CMB HEALTHCARE HOLDINGS LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2022**

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**21. Business combinations (continued)**

The results of CRG Medical Services Ltd and HCRG Medical Services Limited since acquisition are as follows:

	<b>Current period since acquisition £</b>
Turnover	<b>15,494,380</b>
Loss for the period since acquisition	<b>(646,162)</b>

**22. Pension commitments**

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £127,088. Contributions totalling £59,889 were payable to the fund at the reporting date and are included in creditors.

**23. Commitments under operating leases**

At 30 June 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group 2022 £</b>
Not later than 1 year	<b>19,975</b>
Later than 1 year and not later than 5 years	<b>15,710</b>
	<b>35,685</b>

**24. Related party transactions**

The Group has taken advantage of the exemptions available under FRS102 not to report transactions with wholly owned group members.

**25. Post balance sheet events**

On 26 September 2022, CMB Healthcare Holdings Ltd was purchased by HCRG Custodial Services Limited, a member of the HCRG Care Group.

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**CMB HEALTHCARE HOLDINGS LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2022**

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**26. Controlling party**

The immediate parent company is HCRG Custodial Services Limited, a company registered in the United Kingdom. The registered office is The Heath Business & Technical Park, Runcorn, Cheshire, WA7 4QX.

The ultimate parent company is Twenty 20 Capital Limited, a company incorporated in the United Kingdom.

This is the largest and smallest Group in which the Group and Company results are consolidated.

The previous controlling party, and the controlling party at year end, was C M Bailes.

**27. Contingent liabilities**

The Company has guaranteed the liabilities of its subsidiaries as at 30 June 2022.