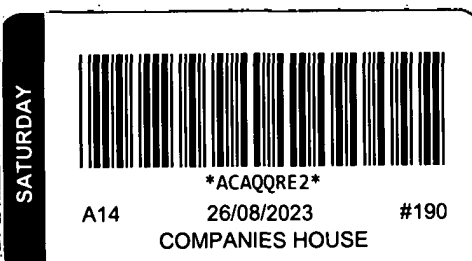


Medux UK Holdco Limited

**Strategic Report, Directors' Report and
consolidated Financial Statements**

**Registered number 13761825
for the 13 months ended 31 December 2022**



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Strategic Report

Principal activities

Medux UK Holdco Limited (the "Company") was incorporated on 24 November 2021. The principal activity of the Company is that of a holding company. The Group's principal activity is the purchase, storage, sale, delivery and collection of medical assistive technology equipment, operating under the name Medequip. The Group's customers are based in the United Kingdom.

Business model

The Group manages the community loan store process on behalf of social services, NHS authorities and charities, helping people to stay safe and independent at home. Medequip delivers partnership support to commissioners, prescribers and users by providing procurement, storage, delivery, installation, maintenance, collection, repair, cleaning, refurbishment and recycling services for community equipment. Centralised support services, including procurement, are provided to Group depots across the UK. The purchasing economies of scale achieved by Medequip, together with efficient operating practices, significantly reduce the time and resource invested by commissioners and prescribers, and typically reduce costs whilst increasing service levels, enhancing care delivery and supporting patient independence and rehabilitation.

Business review and results

On 22 February 2022, Medux UK Holdco Limited acquired the entire issued share capital of Medequip Holdings Limited. Hence, whilst incorporated on 24 November 2021, the results for the period set out in the Profit and Loss Account on page 12, represent 10 months of trading activity of the Group. Group turnover for the period was £212,711,000 with an operating profit before amortisation of intangible assets of £4,288,000, the Group having borne a significant, non-cash, goodwill amortisation charge of £6,956,000 in the period. Net assets at 31 December 2022 stood at £69,143,000.

Group revenue includes the impact of recent contract wins for Community Equipment Services ("CES") in each of Leicestershire, Somerset, and Barking, Redbridge, Havering and Kingston. The Gross Profit margin reflects the mix of those incremental revenue streams, and also high levels of operating costs in labour and overheads. In particular, results for the period under review include the adverse impact of increases in fuel costs, in vehicle fleet operating costs generally, of continuing costs relating to the lingering Covid pandemic, of start-up costs associated with the new contracts, and of contract settlement and termination costs. The Group has sought to work with its customers to address the loss in margin associated with increased operating costs, to ensure the long term sustainability of its service, and with a view to the Group returning to historic levels of operating profit during the year to December 2023. In the year to December 2022, the Company secured CES contract extensions for its contracts in the Wirral, and Durham and Darlington. In the same period, the Group successfully re-tendered for its Bristol, North Somerset and South Gloucestershire contracts, securing the business until at least 2027. In addition, the Group was awarded the CES contract for Norfolk, and post the balance sheet date, that of Essex, both contracts having implementation dates in the year to December 2023, and contract periods of at least 5 years. The Company was not successful in retaining its London Consortium Framework contract which had an end date of March 2023, and 18 of the 21 London Boroughs ceased trading with the Company at that point.

The year to December 2022 also saw the Technology Enabled Care business, operating as Medequip Connect, being awarded a total of five new contracts with combined annualised revenues expected to approximate £2,000,000. Subsequent to the balance sheet date, Medequip Connect was awarded two further new contracts with combined annualised revenues approximating £1,200,000.

Strategic Report *(continued)*

Key performance indicators

	Period to 31 December 2022
Turnover	£212,711,000
Operating profit before amortisation of intangible assets	£4,288,000
Return on turnover	1.9%

Return on turnover is the percentage of operating profit before amortisation of intangible assets, to turnover. The return on turnover varies with product mix, start-up costs associated with the commencement of new contracts and the profile of new contracts, together with direct and indirect costs associated with growth in business volume.

Operating profit before amortisation of intangible assets is considered a measure of the ability of the Group to generate cash from its operations, in order to provide a return to its shareholders and provide funds for future growth, as follows:

	Period to 31 December 2022
	£000
Group operating loss	(2,668)
Amortisation of intangible assets (note 5)	<u>6,956</u>
Group operating profit before amortisation of intangible assets	<u>4,288</u>

Principal risks and uncertainties

The principal risks and uncertainties are considered to be the general economic climate, and spending levels within the NHS and Local Authorities. The Group benefits from contracts that typically last for a number of years, thereby underpinning comparatively regular revenues. Accordingly focus is given to ensure that service standards are upheld in order to ensure that business contracts are renewed.

COVID 19

The safety and wellbeing of our colleagues and service users has been, and continues to be, our overriding priority. The Company recognises its role as partner to the NHS and Local Authorities as they seek to manage conditions that change rapidly, and we continue to maintain contingency plans for potential future spikes in the COVID infection rate. We believe the impact of COVID 19 will not be material to our longer-term plans for growth.

Future developments

The existing and forecast shift in population demographics has resulted in a growing market which has produced significant opportunities for the Group to expand. As the population ages and advances in medical technology facilitate care in the home, growth can reasonably be expected from existing contracts. In addition, visible tenders for further Community Equipment Services ("CES") moving to the outsourced market signposts significant opportunities in the coming years. There are also expanding opportunities in the self-funding retail market and CES linked activities, including online retail, operating as *Manage at Home*, and Technology Enabled Care, operating as *Medequip Connect*.

On 30 April 2023 the Company completed the acquisition of the Ross Auto Engineering Limited Group. The Ross Auto Engineering Limited Group operates under the name Ross Care and provides specialist wheelchair services throughout England and Wales. The acquisition will enhance the scope and range of services offered by Medequip across its community equipment contracts nationwide.

Strategic Report *(continued)*

Section 172 Statement

This statement sets out how the directors have approached and met their responsibilities under section 172 Companies Act 2006 and in particular how the directors have satisfied themselves that they have acted in a way which is most likely to promote the success of the Group for the benefit of its members as a whole whilst also having regard for stakeholders' interests. As such, the board have considered the following (amongst other things):

Shareholders

The Board gives significant consideration through the assessment of various board papers to the likely long term benefits to the Group when considering investment in new businesses, confirming that it is the Board's ultimate objective to deliver long term sustainable earnings growth to enhance total shareholder returns.

Employees

The Board and senior management team are actively involved in looking after the interests of our employees through training, development, diversity and inclusion, health and safety and working conditions. Senior management meetings are held regularly, with all Heads of Department and various Board members in attendance and our Head of HR gives an update on relevant employee topics. Employee communication and interaction is via the Blink mobile intranet app developed in 2020.

Suppliers

The Group has regular engagement with its suppliers and regularly reviews its payment policies and adherence to those policies. All material contracts with suppliers are discussed at board level and in reaching final approval on decisions for material contracts the Board has regard to a number of factors including: the business case and financial impact; the impact on our suppliers; and the long-term reputation of the Group.

Customers

It is important that we look after the interests of our customers, which range from product availability, ethical behaviour, service and pricing. Our values set out our aim to earn the respect and trust of all of our customers.

Community and the environment

We are committed to making a positive contribution to the communities within which we operate, including through payment of taxes. Our approach to social value is to employ locally, support the local retailers, work with a variety of local and national charities, deliver on environmental commitments and support equality and diversity initiatives.

The impact of the Group's operations on the community and environment

Medequip's ESG policy formalises its longstanding commitment to responsible best practice in the areas of:

- Environmental Stewardship
- Social Responsibility
- Governance, Ethics & Compliance

By embedding ESG principles into our operations and investment decisions, we create value for our business by driving innovation, expanding our value proposition, deepening relationships with all stakeholders, and attracting and retaining talent. We further ensure that we maximise the degree to which capital is made available to the business by the increasing numbers of providers who put ESG at the heart of their investment decisions.

We maximise the positive impact of our ESG actions and the value they deliver for our business by following three strategic principles:

- Business integration: Putting ESG at the heart of decision making.
- Customer-focused solutions: Pursuing ESG initiatives that add value for employees, other stakeholders, and society.
- Culture & Talent: Providing a positive employee experience and engaging with our employees in delivering on our ESG objectives.

Strategic Report (continued)

Section 172 Statement (continued)

The impact of the Group's operations on the community and environment (continued)

Our business strategy sets out our ESG priorities. Our ESG goals are approved and monitored by the Board of Directors.

Medequip is certified to ISO 14001:2015 (Environmental management systems) and ISO 45001:2018 (Occupational health and safety management systems) as part of its commitment to create an environmentally friendly and safe working environment for its people. We are also committed to achieving ISO 50001:2018 (Energy management systems) by 2025. The Board receives regular updates on compliance to these standards.

Streamlined Energy and Carbon Reporting

Medequip has appointed Carbon Footprint Ltd, a leading carbon and energy management company, to independently assess its Greenhouse Gas (GHG) emissions in accordance with the UK Government's 'Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance'. The GHG emissions have been assessed following the ISO 14064-1:2018 standard and has used the 2022 emission conversion factors published by Department for Environment, Food and Rural Affairs (Defra) and the Department for Business, Energy & Industrial Strategy (BEIS). The assessment follows the location-based approach for assessing Scope 2 emissions from electricity usage. The operational control approach has been used.

The table below summarises the GHG emissions for the period to 31st December 2022.

Scope	Activity	Tonnes CO ₂ e
Scope 1	Vehicle fuel usage	4,771.01
	Site gas	250.26
Scope 1 Sub Total		5,021.27
Scope 2	Electricity generation	321.73
Scope 2 Sub Total		321.73
Scope 3	Electricity transmission & distribution	29.43
	Employee-owned car travel (grey fleet)	38.35
	Hire cars	13.68
	Taxis	0.37
Scope 3 Sub Total		81.83
Total tonnes of CO ₂ e		5,424.83
Total tonnes of CO ₂ e (market-based)		5,073.66
Tonnes of CO ₂ e per employee (location based)		4.89
Total Energy Consumption (kWh)*		23,042,523.77

* Total Energy Consumption includes UK Electricity, UK Site Gas, Company Owned Vehicles and Employee-owned vehicles (grey-fleet).

Strategic Report *(continued)*

Section 172 Statement *(continued)*

Streamlined Energy and Carbon Reporting (continued)

Carbon emissions with prior year comparisons (full years):

Element	2021 (tCO ₂ e)	2022 (tCO ₂ e)
Direct emissions from vehicle fuel use and site gas consumption (Scope 1).	5,148.50	6,025.52
Indirect emissions from purchased electricity (Scope 2).	416.11	386.08
Total Scope 1 & 2 emissions	5,564.61	6,411.6
Business travel in employee-owned & hire vehicles, and electricity transmission and distribution (Scope 3).	71.98	97.76
Total Scope 3 emissions (mandatory)	71.98	97.76
Total tonnes of CO₂e	5,636.59	6,509.36
Tonnes of CO₂e per employee	5.91	5.87
Total Energy Consumption (kWh)*	24,248,268.28	27,651,028.52

NB: As the Group has grown, the total tonnes of CO₂e has increased; however it has reduced per employee as demonstrated in the table above.

Strategy

Medequip is committed to reaching net zero before 2050 and is advised and supported by M J Hudson across the ESG agenda. We undertake annual carbon footprint appraisals with the support of Carbon Footprint Limited.

Our decarbonisation programme forms a key element of our ESG Strategy which is overseen by the Board of Directors and led by our Operations and Commercial Director. Medequip have clear decarbonisation objectives and monitors progress against sector carbon intensity benchmarks.

Signed on behalf of the Board

James Ibbotson

J Ibbotson
Director

24 August 2023

Unit 2 The Summit Centre
 Skyport Drive
 West Drayton
 Middlesex
 UB7 0LJ

Directors' Report

The directors present their Directors' Report and Financial Statements for the period ended 31 December 2022.

Dividends

The directors do not recommend payment of a dividend.

Directors

The directors who held office during the period were as follows:

J Van Teijlingen	Appointed 24 November 2021
D S Griffiths	Appointed 22 February 2022
Medux International B.V.	Appointed 24 November 2021
M F Greenwood	Appointed 22 February 2022
J Ibbotson	Appointed 22 February 2022

Employees

Details of the number of employees and related costs can be found in note 6 to the Financial Statements. The Group is an equal opportunities employer and considers all applications for employment on the basis of aptitude and merit.

The Group places considerable value on the involvement of all employees and has adopted the practice of keeping all employees informed on matters affecting both the performance of the Group and them as employees, via a series of formal face to face monthly team briefings. The importance of training and development of employees is recognised and supported by both local management and through the use of external bodies.

Employee health and safety is of paramount importance and a culture of health and safety awareness is maintained throughout the Group.

It is Group policy that all personnel have equality of opportunity upon recruitment and during service, regardless of gender, race, religion or disability. Medequip will seek to promote and train people dependent upon their ability and the Group's requirement for particular skills.

Business relationships

The Group recognises the importance of its working relationships with its suppliers & customers, and ensures that it maintains an effective level of engagement through planned, regular communications, at an appropriate level of seniority, both through physical meetings and via alternative virtual means. The continuing dialogue enables both the Group and its stakeholders to effectively plan for and manage through any material variations to standard trading conditions, to include the implications of both Brexit and COVID 19.

Political contributions

The Company made no political donations or incurred any political expenditure during the year.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report.

Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far they are each aware, there is no relevant audit information of which the Group's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Directors' Report *(continued)*

Auditor

KPMG LLP were appointed as first auditors of the Company. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board

James Ibbotson

J Ibbotson
Director

24 August 2023

Unit 2 The Summit Centre
Skyport Drive
West Drayton
Middlesex
UB7 0LJ

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Financial Statements for each financial year. Under that law they have elected to prepare the group and parent company Financial Statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company Financial Statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its Financial Statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDUX UK HOLDCO LIMITED

Opinion

We have audited the financial statements of Medux UK Holdco Limited ("the Company") for the period ended 31 December 2022 which comprise the Consolidated Profit and Loss Account and Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and related notes, including the accounting policies in note 1.

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 31 December 2022 and of the Group's loss for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Group's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and other relevant meeting minutes.
- Considering remuneration incentive schemes and performance targets for management, directors.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in

particular the risk that Group management may be in a position to make inappropriate accounting entries and the risk that revenue is overstated through recording revenues in the wrong period.

We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts and;
- Evaluated the business purpose of significant unusual transactions.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and others management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Group is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;

- in our opinion the information given in those reports for the financial period is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 8, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and 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 they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

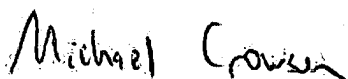
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Michael Crowson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Forbury Place
33 Forbury Road
Reading
RG1 3AD

Date: 25 August 2023

Consolidated Profit and Loss Account and Other Comprehensive Income
for the period from 24 November 2021 to 31 December 2022

	<i>Note</i>	2022 £000
Turnover	3	212,711
Cost of sales		(197,838)
		<hr/>
Gross profit		14,873
Administrative expenses		(17,544)
Other operating expenses	4	3
		<hr/>
Operating loss		(2,668)
Share of profit in associate	12	82
Amortisation of goodwill arising on acquisition of associate	12	(124)
		<hr/>
Loss before interest and taxation		(2,710)
Interest payable and similar charges	8	(2,108)
		<hr/>
Loss on ordinary activities before taxation		(4,818)
Tax on loss on ordinary activities	9	(345)
		<hr/>
Loss for the financial period		(5,163)
		<hr/>

The notes on pages 17 to 33 form an integral part of these Financial Statements.

The Profit and Loss Account has been prepared on the basis that all operations are continuing operations.

The Company has no recognised gains or losses other than the profits in the current period.

Consolidated Balance Sheet
at 31 December 2022

	<i>Note</i>	2022	£000
Fixed assets			
Goodwill	10		76,512
Tangible assets	11		7,564
Investment in associate	12		1,958
			<hr/> 86,034
Current assets			
Stock	13	7,499	
Debtors (including £121,000 due after more than one year)	14	43,222	
Cash at bank			<hr/> 50,721
Creditors: amounts falling due within one year	16	(27,583)	
Net current assets			<hr/> 23,138
Total assets less current liabilities			<hr/> 109,172
Creditors: amounts falling due after more than one year	17		(40,029)
Net assets			<hr/> <hr/> 69,143
Capital and reserves			
Ordinary share capital	23		28,888
Preferred ordinary share capital	23		45,418
Profit and loss account			(5,163)
Shareholders' funds			<hr/> <hr/> 69,143

The notes on pages 17 to 33 form an integral part of these Financial Statements.

These Financial Statements were approved by the Board of Directors on 24 August 2023 and were signed on its behalf by:



M F Greenwood
Director
Registered number 13761825

Company Balance Sheet
at 31 December 2022

	<i>Note</i>	2022	£000
Fixed assets			
Investments	12		89,517
Current assets			
Debtors	14	20,147	
Cash at bank		-	
		<u>20,147</u>	
Creditors: amounts falling due within one year	16	(80)	
		<u>20,067</u>	
Net current assets			<u>20,067</u>
Total assets less current liabilities			<u>109,584</u>
Creditors: amounts falling due after more than one year	17		(37,058)
			<u>72,526</u>
Net assets			<u>72,526</u>
Capital and reserves			
Ordinary share capital	23		28,888
Preferred ordinary share capital	23		45,418
Profit and loss Account			(1,780)
			<u>72,526</u>
Shareholders' funds			<u>72,526</u>

The notes on pages 17 to 33 form an integral part of these Financial Statements.

These Financial Statements were approved by the Board of Directors on 24 August 2023 and were signed on its behalf by:



M F Greenwood
Director
Registered number 13761825

Consolidated Statement of Changes in Equity

	Called up share capital £000	Share premium £000	Profit and Loss Account £000	Total equity £000
Balance at 24 November 2021	-	-	-	-
Total comprehensive income for the period				
Loss for the period	-	-	(5,163)	(5,163)
Total comprehensive income for the period	-	-	(5,163)	(5,163)
Issue of ordinary shares	28,888	-	-	28,888
Issue of preferred ordinary shares	-	45,418	-	45,418
Total contributions by and distributions to owners	28,888	45,418	-	74,306
Balance at 31 December 2022	28,888	45,418	(5,163)	69,143

Company Statement of Changes in Equity

	Called up share capital £000	Share premium £000	Profit and Loss Account £000	Total equity £000
Balance at 24 November 2021	-	-	-	-
Total comprehensive income for the period				
Loss for the period	-	-	(1,780)	(1,780)
Total comprehensive income for the period	-	-	(1,780)	(1,780)
Issue of ordinary shares	28,888	-	-	28,888
Issue of preferred ordinary shares	-	45,418	-	45,418
Total contributions by and distributions to owners	28,888	45,418	-	74,306
Balance at 31 December 2022	28,888	45,418	(1,780)	72,526

The notes on pages 17 to 33 form an integral part of these Financial Statements.

Consolidated Cash Flow Statement
for the 10 months ended 31 December 2022

	<i>Note</i>	2022 £000
Cash flows from operating activities		
Loss for the period		(5,163)
Adjustments for:		
Depreciation	11	2,409
Amortisation of goodwill	10	6,956
Interest payable and similar charges	8	2,108
Profit on disposal of tangible fixed assets	4	(3)
Share of profit in associate less goodwill		42
Taxation	9	345
		<hr/> 6,694
Increase in trade and other debtors		(23,220)
Increase in stocks		(159)
Increase in trade and other creditors		3,970
		<hr/>
Net cash absorbed into operating activities before tax and interest		(12,715)
Interest paid		(2,045)
Tax paid		(766)
		<hr/>
Net cash from operating activities		(15,526)
Cash flows from investing activities		
Proceeds from disposal of tangible fixed assets		170
Acquisition of tangible fixed assets		(2,102)
Acquisition of a subsidiary undertaking	2	(87,032)
Acquisition transaction fees	2	(2,486)
		<hr/>
Net cash from investing activities		(91,450)
Cash flows from financing activities		
Repayment of finance lease liabilities		(1,400)
Initial proceeds from new related party loan		35,349
Proceeds from addition to related party loan		1,709
Proceeds from issue of ordinary share capital		28,888
Proceeds from issue of preference share capital		45,418
		<hr/>
Net cash from financing activities		109,964
Decrease in cash and cash equivalents in the period		2,988
Overdraft acquired with acquisition		(4,866)
		<hr/>
Cash and cash equivalents at 31 December	15	<hr/> (1,878) <hr/>

The notes on pages 17 to 33 form an integral part of these Financial Statements.

Notes

(forming part of the Financial Statements)

1 Accounting policies

Medux UK Holdco Limited is a company limited by shares and incorporated and domiciled in the UK.

These Group and parent company Financial Statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these Financial Statements is sterling. All amounts in the Financial Statements have been rounded to the nearest £1,000.

The parent company is included in the consolidated Financial Statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company Financial Statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period;
- No separate parent company Cash Flow Statement with related notes is included; and
- Key Management Personnel compensation.

These are the first consolidated Financial Statements of the newly formed Group. As these are the first company accounts and first consolidated Group accounts there are no comparative periods.

Judgements made by the directors in the application of these accounting policies that have significant effect on the Financial Statements, and estimates with a significant risk of material adjustment in the next year are discussed in note 1.15.

1.01 Measurement convention

The Financial Statements are prepared on the historical cost basis.

1.02 Going concern

For the period ended 31 December 2022 the Group generated an operating profit before amortisation of intangible assets of £4,288,000. On 22 February 2022, the company purchased the entire share capital of Medequip Holdings Limited, a company incorporated in England. The Company, Medequip Holdings Limited, and certain subsidiaries of Medequip Holdings Limited are obligors under a EUR249,000,000 committed funding facilities agreement put in place to finance an element of the purchase consideration, and as such the Company and group have access to funding via a revolving credit facility of Euro 25m, the purpose of which is to fund working capital requirements. In the period ended 31 December 2022, the Company and its subsidiaries traded as part of the larger obligor group of companies headed by Medux International B.V.. At 31 December 2022 the Medux International B.V. Group had utilised EUR204,000,000 on the facility. The Company and the Medux UK Holdco Group has continued to trade through the period to 31 December 2022 and the directors believe that the Company is well placed to manage its business successfully despite the current uncertain economic outlook. The directors have prepared a base case cash flow forecast which they have then sensitised to take account of severe but plausible trading scenarios. These forecasts cover the period to December 2024, and provide evidence of the Company and Group's ability to operate to that date, being in excess of 12 months from the date of approval of the Financial Statements.

Consequently, the directors are confident that the Group and therefore the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the Financial Statements and therefore have prepared the Financial Statements on a going concern basis.

Notes (continued)

1 Accounting policies (continued)

1.03 Basis of consolidation

Medux UK Holdco Limited was incorporated on 24 November 2021. On 22 February 2022 the Company purchased the entire share capital of Medequip Holdings Limited (see note 2).

The consolidated Financial Statements include the Financial Statements of the Company and its subsidiary undertakings and are made up to 31 December 2022.

A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated Profit and Loss Account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

An associate is an entity in which the Group has significant influence, but not control, over the operating and financial policies of the entity. Significant influence is presumed to exist when the investor holds between 20% and 50% of the equity voting rights.

In the Group Financial Statements, associates are accounted for using the equity method. In the parent Financial Statements, investments in subsidiaries and associates are carried at cost less impairment in accordance with FRS 102.17.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own Profit and Loss Account.

1.04 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

Investments in preferred and ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognised in profit or loss. Other investments are measured at cost less impairment in the profit and loss account.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

1.05 Other financial instruments

Financial instruments not considered to be basic financial instruments (other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment.

Notes (continued)

1 Accounting policies (continued)

1.06 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described at 1.13 below.

The Company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the Profit and Loss Account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets as follows:

• Leasehold improvements	Over the lease term
• Plant and machinery	20%-50% per annum
• Fixtures, fittings & equipment (incl. computer equipment & software)	20%-50% per annum
• Commercial vehicles	20% per annum
• Motor vehicles	25%-33% per annum

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

1.07 Intangible assets: goodwill and other

Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is amortised over its estimated useful life of 10 years and is reviewed annually for impairment. The useful life has been arrived at by considering expected changes in products, markets or technology, expected future demand, competition or other economic factors that might affect current advantages, and the extent to which market entry barriers will continue to exist.

Other intangible assets

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation is charged to the profit and loss on a straight-line basis over the estimated lives of intangible assets.

1.08 Stock

Stocks are stated at the lower of cost and the estimated selling price less costs to complete and sell.

Notes (continued)

1 Accounting policies (continued)

1.09 Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred.

At the acquisition date, the Group recognises goodwill as follows:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

1.10 Employee benefits

Defined contribution plans and other long-term employee benefits

A defined contribution plan is a post-employment benefit plan under which a company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Profit and Loss Account in the periods during which services are rendered by employees.

1.11 Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the parent Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its Group, the Company treats the guarantee contract as a contingent liability in its individual Financial Statements until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

1.12 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Turnover is recognised on delivery of goods to the customer, or in the case of service income, completion of the service. Rental income is recognised on a straight line basis over the rental period.

The total turnover for the Company and Group for the period has been derived from the principal activity wholly undertaken in the United Kingdom.

Notes (continued)

1 Accounting policies (continued)

1.13 Expenses

Operating leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the Profit and Loss Account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance leases

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term in a manner which will produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Interest receivable and interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, and unwinding of the discount on provisions.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the Profit and Loss Account on the date the Company's right to receive payments is established.

1.14 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates in force for the year, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the Financial Statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.15 Judgement and Estimates

Estimates

The Group does not have any key assumptions concerning the future, or other key sources of estimation uncertainty in the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Judgements

The Group has not had any matters in the reporting period which have required the exercise of significant management judgement.

Notes (continued)

2 Acquisition and disposal of businesses

Acquisitions in the current period

On 22 February 2022, the Group acquired the shares of Medequip Holdings Limited for a consideration before costs of £87,032,000. The Group's principal activity is that of the purchase, storage, sale, delivery and collection of medical assistive technology equipment through the Group's trading company, Medequip Assistive Technology Limited.

The operation contributed all the revenue for the period.

Analysis of the acquisition

Net assets at date of acquisition:

	Book value £000	Fair value adjustments £000	Fair value to Group £000
Tangible fixed assets	5,154	-	5,154
Intangible assets	1,026	974 (a)	2,000
Stocks	7,390	(50)	7,340
Trade and other debtors	19,690	(60)	19,630
Trade and other creditors	(19,779)	(816) (b)	(20,595)
Interest bearing external loans, net of unamortised issue costs	(4,803)	-	(4,803)
Outstanding finance lease obligations	(2,676)	-	(2,676)
	<hr/>	<hr/>	<hr/>
Net identifiable assets and liabilities	6,002	48	6,050
	<hr/>	<hr/>	<hr/>
Total cost of business combination:			
Consideration paid:			
Initial cash price paid			83,252
Equity instruments issued - ordinary			1,763
Equity instruments issued - preference			1,163
Equity shares in related undertaking			854
Costs directly attributable to the business combination			2,486
			<hr/>
Total consideration			89,518
			<hr/>
Goodwill on acquisition			83,468
			<hr/>

The estimated useful life of the goodwill arising on this acquisition is 10 years.

Adjustments:

- a) Adjustment to uplift the carrying value of the associate undertaking to fair value;
- b) Principally property related liabilities.

Notes (continued)

3 Turnover

	2022 £000
Sale of goods	166,092
Rendering of services	46,619
	<hr/>
Total turnover	212,711
	<hr/>

4 Other operating income/(expenses)

	2022 £000
Net profit on disposal of tangible fixed assets	3
	<hr/>

5 Expenses and auditor's remuneration

Included in profit or loss are the following:

	2022 £000
Depreciation of tangible assets	2,409
Amortisation of goodwill	6,956
Operating lease rentals	2,446
	<hr/>

Auditor's remuneration:

	2022 £000
Amounts receivable by the Company's auditor and its associates in respect of:	
Audit of these Financial Statements and Financial Statements of subsidiaries of the Company	115
Taxation compliance services	10
	<hr/>

Notes (continued)

6 Staff numbers and costs

The average number of persons employed by the Group (including directors) during the period, analysed by category, was as follows:

	Number of employees
	2022
Direct operating staff	987
Direct operating staff – operations management	33
Administration & directors	91
	<hr/>
	1,111
	<hr/>

The aggregate payroll costs of these persons were as follows:

	2022 £000
Wages and salaries	25,204
Social security costs	2,437
Contributions to defined contribution plans	1,019
	<hr/>
	28,660
	<hr/>

7 Directors' remuneration

	2022 £000
Directors' remuneration	1,277
Company contributions to defined contribution pension plans	47
Social security costs	168
	<hr/>

The aggregate of remuneration and amounts received under long term incentive schemes of the highest paid director was £512,966, and company pension contributions of £nil were made to defined contribution pension plans.

	Number of directors 2022
Retirement benefits are accruing to the following number of directors under:	
Defined contribution pension plans	6
	<hr/>

Notes (continued)

8 Interest payable and similar charges

	2022 £000
On bank loans and overdrafts	81
Finance lease interest	189
Write-off in the period of acquired issue costs of historic bank loans	63
Interest on loans with related parties	1,775
	<hr/>
Total interest payable and similar charges	2,108
	<hr/>

9 Taxation

Total tax expense recognised in the Profit and Loss Account

	2022 £000
<i>Current tax</i>	
Current tax on income for the period	234
<i>Deferred tax</i>	
Origination and reversal of timing differences	111
	<hr/>
Total tax	345
	<hr/>

Reconciliation of effective tax rate

	2022 £000
Loss for the period	(5,163)
Total tax expense	345
	<hr/>
Loss excluding taxation	(4,818)
	<hr/>
Tax using the UK corporation tax rate of 19.00 %	(915)
Non-allowable expenses	1,324
Fixed asset and other differences	(64)
	<hr/>
Total tax expense included in the Profit and Loss Account	345
	<hr/>

An increase in the UK corporation tax rate from 19% to 25% (effective from 1 April 2023) was substantively enacted on 24 May 2021, and the UK deferred tax at 31 December 2022 has been calculated based on this rate.

Notes (continued)

10 Intangible assets and goodwill

<i>Group</i>	Goodwill £000
Cost	
Balance at 24 November 2021	-
Acquisitions through business combinations	83,468
	<hr/>
Balance at 31 December 2022	83,468
	<hr/>
Amortisation and impairment	
Balance at 24 November 2021	-
Amortisation for the period	(6,956)
	<hr/>
Balance at 31 December 2022	(6,956)
	<hr/>
Net book value	
Balance at 24 November 2021	-
	<hr/>
Balance at 31 December 2022	76,512
	<hr/>

Amortisation and impairment charge: the goodwill is being amortised over 10 years.

11 Tangible fixed assets

<i>Group</i>	Leasehold improvements £000	Plant and equipment £000	Fixtures & fittings £000	Commercial vehicles £000	Motor vehicles £000	Total £000
Cost						
Balance at 24 November 2021	-	-	-	-	-	-
Acquisition of subsidiary undertaking	880	331	1,582	2,361	-	5,154
Additions	911	318	848	2,884	25	4,986
Disposals	-	-	-	(167)	(1)	(168)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2022	1,791	649	2,430	5,078	24	9,972
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation and impairment						
Balance at 24 November 2021	-	-	-	-	-	-
Depreciation charge for the period	285	169	805	1,143	7	2,409
Disposals	-	-	-	-	(1)	(1)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2022	285	169	805	1,143	6	2,408
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value						
At 24 November 2021	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2022	1,506	480	1,625	3,935	18	7,564
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

At the period end the net carrying amount of tangible fixed assets leased under a finance lease was £3,935,000.

Group

The useful-life of the investment in associate is estimated to run until 2027. The Group has the following investments in associates:

The undertakings in which the Group and Company's interest at the period-end is more than 20% are as follows and they all share the same registered address as Medux UK Holdco Limited of Unit 2 Summit Centre Skyport Drive, Harmondsworth, West Drayton, Middlesex, United Kingdom, UB7 0LJ.

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Notes (continued)

13 Stock

	Group 2022 £000	Company 2022 £000
Stock	7,499	-
	<u>7,499</u>	<u>-</u>

14 Debtors

	Group 2022 £000	Company 2022 £000
Trade debtors	24,259	-
Amounts owed by Group undertakings	-	5,147
Other receivables	15,000	15,000
Corporation tax recoverable	442	-
Deferred tax assets (see note 20)	121	-
Prepayments and accrued income	3,400	-
	<u>43,222</u>	<u>20,147</u>
Due within one year	43,101	20,147
Due after more than one year	121	-
	<u>43,222</u>	<u>20,147</u>

Amounts owed by group undertakings are interest free and repayable on demand.

15 Cash and cash equivalents / bank overdrafts

	Group 2022 £000	Company 2022 £000
Cash at bank and in hand	-	-
Bank overdrafts	(1,878)	-
	<u>(1,878)</u>	<u>-</u>
Cash and cash equivalents per cash flow statements	<u>(1,878)</u>	<u>-</u>

Notes (continued)

16 Creditors: amounts falling due within one year

	Group 2022 £000	Company 2022 £000
Overdraft secured under committed loan facilities (see note 18)	1,878	-
Obligations under finance leases (see note 19)	1,188	-
Trade creditors	16,509	-
Amounts owed to related undertakings	-	3
Amounts owed to Group undertakings	-	-
Corporation tax	-	-
Other taxation and social security	2,393	-
Provisions (see note 21)	1,085	-
Accruals and deferred income	4,530	77
	<u>27,583</u>	<u>80</u>

17 Creditors: amounts falling due after more than one year

	Group 2022 £000	Company 2022 £000
Amounts owed to related undertakings	37,058	37,058
Obligations under finance leases (see note 19)	2,971	-
	<u>40,029</u>	<u>37,058</u>

Amounts owed to related undertakings bear interest at a margin of SONIA plus 4%. Any annual repayment is determined by the agreement of both parties and as such the directors consider that the balance due is long-term.

Notes (continued)

18 Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are measured at amortised cost.

	Group 2022 £000	Company 2022 £000
Creditors falling due after more than one year		
Amounts owed to related undertakings	37,058	37,058
Finance lease liabilities	2,971	-
	<u>40,029</u>	<u>37,058</u>
Creditors falling due within one year		
Overdraft facility secured under committed loan facilities	1,878	-
Finance lease liabilities	1,188	-
	<u>3,066</u>	<u>-</u>

The overdraft facility is an Ancillary Facility to the EUR249,000,000 Senior Facilities Agreement between Medux International B.V. and certain of its subsidiary companies, including the Company, and a syndicate of banks and debt funds. The Senior Facilities Agreement is committed until February 2027, subject to certain covenant criteria. The overdraft has a limit of £5,009,580, due for renewal annually. In the absence of the overdraft renewal, the Company would look to Medux International B.V. to provide funding via its utilisation of the EUR25,000,000 Revolving Credit Facility which forms part of the Senior Facilities Agreement, and is made available to fund working capital requirements of the borrower group. The interest rate on the overdraft facility is 2.70% per annum over Base Rate, the official Bank Rate of the Bank of England.

Terms and debt repayment schedule

Group	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2022 £000
Loan from related undertaking	£	Note 17	2027	See above	37,058
Overdraft facility secured under committed loan facilities	£	See above	2027	See above	1,878
Finance lease liabilities	£	2.5-4.4%	Various	5 years	4,159
					<u>43,095</u>
Company	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2022 £000
Loan from related undertaking	£	Note 17	2027	See above	37,058
					<u>37,058</u>

Notes (continued)

19 Other interest-bearing loans and borrowings

Group finance lease liabilities are payable as follows:

	Minimum lease payments 2022 £000
Less than one year	1,188
Between one and five years	2,971
	<hr/> 4,159 <hr/>

20 Deferred tax assets and liabilities

Group	2022 £000
Decelerated capital allowances	(50)
Other timing differences	171
	<hr/> 121 <hr/>
Net tax assets	121

21 Provisions for liabilities

	Dilapidations £000
Balance at 24 November 2021	-
Acquisition of subsidiary undertaking	1,025
Provisions made during the period	60
Provisions utilised during the period	-
	<hr/>
Balance at 31 December 2022	1,085 <hr/>

At the balance sheet date the Group operated from 28 properties across England and Wales, in order to fulfil its contractual obligations to provide Community Equipment Services ("CES"). The properties are occupied under operating leases with durations that reflect the contracts that underpin the provision of the service. The Group recognises a provision for reinstatement costs on a property-by-property basis at the point at which the tender for the renewal of the relevant CES contract is formally issued. The provision recognised is an estimate based upon actual costs incurred of the most recent such event. In the event that the contract is ultimately renewed, the specific provision is reversed. At 31 December 2023 the Group has recognised provisions for the cost of exiting properties in four separate locations, where the stated criteria is met.

22 Employee benefits

Defined contribution plans

Group

The Group operates a number of defined contribution pension plans. The total expense relating to these plans in the current period was £1,019,000.

Notes (continued)

23 Capital and reserves

	2022 £000
<i>Allotted, called up and fully paid</i>	
1 ordinary share at £0.10 – allotted, called up and fully paid	-
2,527,109,268 A ordinary shares at £0.01 each – allotted, called up and fully paid	25,271
86,435,678 B1 ordinary shares at £0.01 each – allotted, called up and fully paid	864
275,232,362 B2 ordinary shares at £0.01 each – allotted, called up and fully paid	2,752
 Total allotted, called up and fully paid ordinary shares	 28,888
 10% A preference shares at £0.01 each – allotted; called up and fully paid	 43,029
10% B1 preference shares at £0.01 each – allotted, called up and fully paid	1,472
10% B2 preference shares at £0.01 each – allotted, called up and fully paid	917
 Shares classified in shareholders' funds	 45,418

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. The A and B ordinary shares are identical in all aspects other than the A ordinary shares have preferential pre-emption rights.

The preferred ordinary shares are redeemable at the option of the Company. The holders of preference shares are not entitled to receive dividends and are not entitled to vote at meetings of the Company. Shares carry a cumulative 10% coupon which only becomes payable on redemption.

24 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Property 2022 £000	Other 2022 £000	Total 2022 £000
Less than one year	2,127	95	2,222
Between one and five years	4,779	158	4,937
More than five years	810	-	810
	7,716	253	7,969

During the period £2,447,000 was recognised as an expense in the Profit and Loss Account in respect of operating leases.

Notes (continued)

25. Contingent liabilities

On 22nd February 2022 the Company purchased the entire share capital of Medequip Holdings Limited. The Company is an obligor to the committed facilities agreement put in place to finance an element of the purchase consideration. The obligor group of companies is headed by Medux International B.V.. At 31 December 2022 the Medux International B.V. Group had utilised EUR204,000,000 on the facility which totals EUR249,000,000.

26. Related parties

CSS Europe Limited

J P Cockcroft and J Ibbotson are both directors of CSS Europe Limited. During the year purchases of IT services from CSSolutions Europe Limited were £2,147,000. At 31 December 2022 £145,000 is owed to CSS Europe Limited.

Gallaria Limited

J P Cockcroft was a director of Gallaria Limited. During the year purchases of management services from Gallaria Limited were £nil. On 27 December 2022, Gallaria Limited was dissolved.

27. Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Medux International B.V. which has a registered address of Atoomweg 111, 3542 AB Utrecht, The Netherlands. At the balance sheet date the ultimate controlling party was SHV Holdings N.V., registered at Rijnkade 1, 3511 LC Utrecht, PO Box 2065, 3500GB Utrecht, The Netherlands.

These Financial Statements represent the smallest group in which the results of the Company are consolidated for the period to 31 December 2022. The largest group in which the results of the Company are consolidated for the period to 31 December 2022 is that headed by Medux International B.V. (incorporated in The Netherlands). No other group Financial Statements include the results of the Company. The consolidated Financial Statements of Medux International B.V. are available to the public and may be obtained from the Dutch Chamber of Commerce.

28. Subsequent events

On 30 April 2023 the Company completed the acquisition of the Ross Auto Engineering Limited Group. The Ross Auto Engineering Limited Group operates under the name Ross Care and provides specialist wheelchair services throughout England and Wales. The acquisition will enhance the scope and range of services offered by Medequip across its community equipment contracts nationwide.