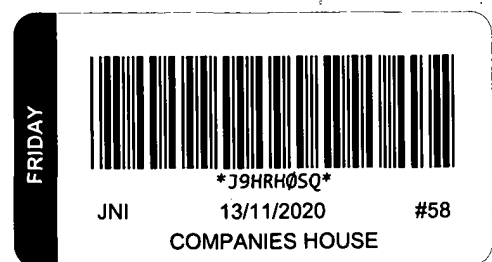


# Aquilant Limited

Directors' report and financial statements

15 month period ended 30 December 2019

**Registered number: 02090807**



# Aquilant Limited

## Directors' report and financial statements

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# Aquilant Limited

## Directors and other information

### Directors

PJ Owens (Resigned 21 June 2019)  
R Dew  
D Frederick (Appointed 3 October 2018)  
P Kalverboer (Resigned 3 October 2018)  
T Rodgers (Appointed 21 June 2019)

### Company secretary

PJ Owens (Resigned 21 June 2019)  
T Rodgers (Appointed 21 June 2019)

### Registered office

Aquilant House  
Unit B1-B2 Bond Close  
Kingsland Business Park  
Basingstoke  
RG24 8PZ  
England

### Independent auditors

KPMG  
Chartered Accountants  
85 South Mall  
Cork

### Bankers

Natwest Bank plc  
63 Picadilly  
London  
W1J 0AJ  
United Kingdom

### Solicitors

Eversheds Sutherland  
1 Wood Street  
London  
EC2V 7WS  
United Kingdom

### Registered number

02090807

# Aquilant Limited

## Strategic report *(continued)*

### Strategic report

#### Principal activities

The principal activities of the company during the 15 month period ended 30 December 2019 continued to be the distribution of medical and surgical devices.

#### Business review

The results for the period are set out in the key performance indicators as shown below.

The company's turnover decreased 8.8% from £29,267,821 in FY 18 to £26,685,920 in FY 19.

Gross margin increased 8.1% from £8,042,196 in FY 18 to £8,692,077 in FY 19 due to change in sale mix.

The company generated a loss before tax of £(1,075,176) (30 September 2018: profit of £1,920,508). The 2019 loss included exceptional restructuring costs. The company continues to maintain strong working capital cash flows. The directors are confident that the company's investment in assets and an experienced workforce will enable it to capitalise on the growing number of opportunities in the market.

#### Principal risks and uncertainties

The company has a comprehensive system of risk management and internal controls, which form an integral part of the business process. The risks and uncertainties which are currently judged to have the greatest impact on the company's performance are noted below.

The company faces competition in its various markets and if it fails to compete successfully, market share and profitability may decline.

Distribution of third party products is currently by agreement. There is no certainty that these agreements will be renewed upon expiry, which could lead to declines in sales and profitability.

#### Financial risk management objectives and policies

The management of financial risks facing the company is governed by policies reviewed and approved by the board of directors. These policies primarily cover liquidity risk, credit risk and currency risk. The primary objective of the company's policies is to minimise financial risk at a reasonable cost. The company does not trade in financial instruments.

#### *Economic risk*

##### *COVID-19*

First reported in January 2020 a novel strain of coronavirus ("Covid-19") which first surfaced in China has met the scientific definition of a pandemic, impacting a number of countries globally.

The spread of the COVID-19 outbreak has caused severe disruptions in the Irish and global economy and financial markets and has the potential to create widespread business continuity issues of an as yet unknown magnitude and duration. Many countries, including Ireland and the UK, have reacted by instituting quarantines, mandating business and school closures and restricting travel. Many experts predict that the outbreak will trigger a period of global economic slowdown or a global recession.

We are closely monitoring the potential impact of COVID-19 on our 2020 financial results and cashflows. Whilst Covid-19 has had an impact on specific divisions within the group, the overall company financial

# Aquilant Limited

## Strategic report *(continued)*

### Financial risk management objectives and policies *(continued)*

#### ***Economic risk (continued)***

performance has not been adversely impacted by Covid-19. Our top priority remains the health and safety of our staff and customers.

Based on information provided by the Government, the NHS, the WHO and also available publicly, we are taking a number of measures to reduce any potential impact on our operations to ensure business continuity through this period.

#### ***Brexit***

The decision of the United Kingdom (UK) to exit the European Union (EU) at the end of the agreed transition period on the 31<sup>st</sup> December 2020 ("Brexit") poses a significant uncertainty on trading arrangements both between UK and Ireland and between UK and other international markets. In particular, this risk is heightened as a consequence of the failure of agreement to date on post transition trading arrangements between UK and EU.

The uncertainty of the final Brexit outcome means that the full financial impact of continuing to comply with regulations and customer arrangements are not yet clear. These changes may affect the Company's operations and financial results.

The company has undertaken an extensive review of possible Brexit impacts and implemented a comprehensive contingency set of actions to minimise any commercial Brexit impact. A Brexit project team has been established to identify risks and mitigations.

As a prime mitigation, the company has substantial warehousing facilities spread geographically across Republic of Ireland and UK. The company has also increased stockholding of products to minimise the impact of any disruption to existing supply chains and has positioned stock for the UK market in its Basingstoke facility.

The company continues to engage with the relevant UK regulatory authorities in relation to Brexit preparations and requirements. The company is well positioned to meet the challenges that Brexit will impose.

#### ***Liquidity risk***

The company uses cash resources to finance its operations. The company ensures that it has sufficient financing facilities available through cash flow generated from operating activities or from group borrowings, if required, to meet its projected funding requirements.

#### ***Credit risk***

Trade debtors and creditors arise from operations on normal terms.

# Aquilant Limited

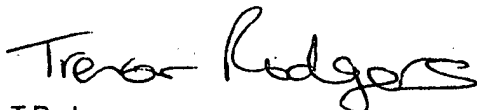
## Strategic report *(continued)*

### Financial risk management objectives and policies *(continued)*

#### **Currency risk**

The company makes purchases of goods and services denominated in currencies other than pounds sterling. The company manages said payments through the operation of other denominated currency bank accounts. As a result of the level of the company's non-pound sterling purchases, financial assets and financial liabilities, and cash flows can be affected by movements in exchange rates. If significant, the company would need to mitigate its exposure to currency risk by entering into forward currency contracts.

On behalf of the board



T Rodgers  
Director

16 October 2020

# Aquilant Limited

## Directors' report

The directors present herewith their report and the audited financial statements of the company for the 15 month period ended 30 December 2019.

### Results for the period and state of affairs for the 15 month period ended 30 December 2019

The profit and loss account and balance sheet for the 15 month period ended 30 December 2019 are set out on pages 11 and 12.

During the period, the company made a loss of £1,043,520 (30 September 2018: profit of £2,158,146).

Shareholders' funds at 30 December 2019 amounted to £581,524 (30 September 2018: funds £1,625,274).

### Dividends

The directors do not propose to pay a dividend for the period (30 September 2018: £Nil).

### Directors and company secretary

The directors who served during the period were:

PJ Owens (Resigned 21 June 2019)  
R Dew  
D Frederick (Appointed 3 October 2018)  
P Kalverboer (Resigned 3 October 2018)  
T Rodgers (Appointed 21 June 2019)

On 21 June 2019 PJ Owens resigned as company secretary and T Rodgers was appointed.

### Political contributions

The company made no political contributions or incurred any political expenditure that require disclosure during the period (2018: £Nil).

### Future developments

The directors consider both the results for the period and trading prospects to be satisfactory. It is the directors' intention to continue to develop the present activities of the company.

### Going concern

The financial statements have been prepared on a going concern basis. The directors have reviewed the current position and cash flow projections of the company. These projections take into account the potential impact of the Covid-19 pandemic as outlined in the "Principal Risks and Uncertainties" Section of the directors' report. The company has net assets of £581,524 and net current liabilities of £18,001 as at 30 December 2019. The company has access to funding from Primacy Healthcare 21 Limited as and when required to finance the payment of liabilities as they fall due. Given the financial interdependency with other Group companies the Directors have also considered the work carried out by Group management as to the impact of COVID 19 which included updating the Group's going concern assessment from the year end focussing on cash flow and the ability of the Group to meet known and potential liabilities. Based on this, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future at the time of approving the financial statements.

# Aquillant Limited

## Directors' report *(continued)*

### Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company'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 company's auditor is aware of that information.

### Post balance sheet events

As noted in the Principal Risks and Uncertainties section of the strategic report, the Covid-19 pandemic is a significant event after the balance sheet date. This is a non-adjusting event and an estimate of the financial effect cannot be made at this point in time, as the situation remains a rapidly evolving one.

### Period of financial statements

During the period, the accounting period of the company was changed to align the reporting date with that of its holding company. The current period's financial statements cover the period from 1 October 2018 to 30 December 2019. The prior period comparatives cover the financial year from 1 October 2017 to 30 September 2018.

### Auditor

The auditors, KPMG, Chartered Accountants, have expressed their willingness to continue in office and, in accordance with Section 487 of the Companies Act 2006, a resolution for their re-election will be proposed at the Annual General Meeting.

On behalf of the board



T Rodgers  
Director

16 October 2020



## Aquilant Limited

### Statement of directors' responsibilities in respect of the directors' report and the financial statements

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

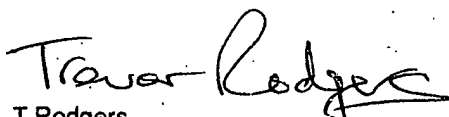
Company law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the 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 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal controls 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 company and to prevent and detect fraud and other irregularities.

On behalf of the board



T Rodgers  
Director

16 October 2020



KPMG  
Audit  
85 South Mall  
Cork  
T12 A3XN  
Ireland

## Independent auditor's report to the members of Aquilant Limited

### Report on the audit of the financial statements

#### **Opinion**

We have audited the financial statements of Aquilant Limited ("the Company") for the 15 month period ended 30 December 2019 set out on pages 11 to 27, which comprise the profit and loss account, the balance sheet, the statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is UK Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 December 2019 and of its loss for the period then ended;
- have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **We have nothing to report on going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that 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 its 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").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model, including the impact of Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.



KPMG  
Audit  
85 South Mall  
Cork  
T12 A3XN  
Ireland

## Independent auditor's report to the members of Aquilant Limited *(continued)*

### Report on the audit of the financial statements *(continued)*

#### **Other information**

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the strategic and directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information 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 other information.

Based solely on our work on the other information;

- we have not identified material misstatements in the directors' report or the strategic report;
- in our opinion, the information given in the directors' report and the strategic report is consistent with the financial statements; and
- in our opinion, the directors' report and the strategic report have been prepared in accordance with the Companies Act 2006.

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

Under Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- 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.

#### **Respective responsibilities and restrictions on use**

##### **Responsibilities of directors for the financial statements**

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for: the preparation of the financial statements including 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 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 Company or to cease operations, or have no realistic alternative but to do so.



KPMG  
Audit  
85 South Mall  
Cork  
T12 A3XN  
Ireland

## Independent auditor's report to the members of Aquilant Limited *(continued)*

### Respective responsibilities and restrictions on use *(continued)*

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

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)

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

Our 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.

20 October 2020

**Celine Fox:**  
**(Senior Statutory Auditor)**  
**for and on behalf of KPMG, Statutory Auditor**  
**Chartered Accountants**  
85 South Mall  
Cork

## Aquilant Limited

### Profit and loss account and other comprehensive income for the 15 month period ended 30 December 2019

	Note	15 month period ended 30 December 2019 £	Year ended 30 September 2018 £
Turnover – continuing operations	3	26,685,920	29,267,821
Cost of sales		(17,993,843)	(21,225,625)
<b>Gross profit</b>		<b>8,692,077</b>	<b>8,042,196</b>
Administrative expenses		(9,767,253)	(9,207,677)
<b>Operating loss</b>	4	<b>(1,075,176)</b>	<b>(1,165,481)</b>
Exceptional item	9	-	3,085,989
<b>(Loss)/profit on ordinary activities before tax</b>		<b>(1,075,176)</b>	<b>1,920,508</b>
Tax on (loss)/profit	8	31,656	237,638
<b>(Loss)/profit on ordinary activities for the financial period/year</b>		<b>(1,043,520)</b>	<b>2,158,146</b>
Other comprehensive income		-	-
<b>Total comprehensive (loss)/income for the period/year</b>		<b>(1,043,520)</b>	<b>2,158,146</b>

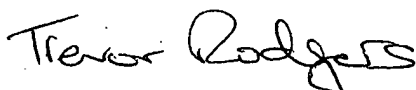
The notes on pages 14 to 27 form part of these financial statements.

# Aquilant Limited

## Balance sheet as at 30 December 2019

	Note	2019 €	2018 €
<b>Fixed assets</b>			
Tangible assets	10	599,525	1,032,244
		<u>599,525</u>	<u>1,032,244</u>
<b>Current assets</b>			
Stocks	11	6,350,560	4,766,995
Debtors: amounts falling due within one year	12	4,206,911	7,272,279
Cash at bank and in hand	13	129,229	788,916
		<u>10,686,700</u>	<u>12,828,190</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(10,704,701)</u>	<u>(12,235,160)</u>
<b>Net current assets/(liabilities)</b>		<u>(18,000)</u>	<u>593,030</u>
<b>Net assets</b>		<u>581,524</u>	<u>1,625,274</u>
<b>Capital and reserves</b>			
Called up share capital	18	50,000	50,000
Other reserves		119,355	119,585
Profit and loss account		412,169	1,455,689
<b>Shareholders' funds</b>		<u>581,524</u>	<u>1,625,274</u>

The financial statements were approved by the board of directors on 16 October 2020 and were signed on its behalf by:



T Rodgers  
Director

Registered number: 2090807

The notes on pages 14 to 27 form part of these financial statements.

## Aquilant Limited

### Statement of changes in equity

for the 15 month period ended 30 December 2019

	Called up share capital £	Other reserves £	Profit and loss account £	Total equity £
<b>At 1 October 2017</b>	50,000	119,585	(702,457)	(532,872)
Profit for the year	-	-	2,158,146	2,158,146
<b>At 30 September 2018</b>	<b>50,000</b>	<b>119,585</b>	<b>1,455,689</b>	<b>1,625,274</b>
<b>At 1 October 2018</b>	50,000	119,585	1,455,689	1,625,274
Loss for the year	-	(230)	(1,043,520)	(1,043,750)
<b>At 15 month period 30 December 2019</b>	<b>50,000</b>	<b>119,355</b>	<b>412,169</b>	<b>581,524</b>

The notes on pages 14 to 27 form part of these financial statements.

# Aquilant Limited

## Notes

*forming part of the financial statements*

### 1 General information

Aquilant Limited ("the company") is a limited company incorporated and domiciled in the United Kingdom (UK). The registered office of the company is Aquilant House Unit B1-B2 Bond Close, Kingsland Business Park, Basingstoke, RG24 8PZ, England. The registered number is 02090807.

### 2 Accounting policies

#### 2.1 Introduction

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, unless otherwise noted, are set out below.

#### 2.2 Basis of preparation

These financial statements were prepared for the first time in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"). There have been no material departures from the standard. The presentation currency of these financial statements is British Pounds.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Primacy Healthcare 21 Limited, a parent undertaking of the Company, includes the company in its consolidated financial statements. The consolidated financial statements of Primacy Healthcare 21 Limited are prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and are available to the public. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash flow statement and related notes

#### 2.3 Measurement convention

The financial statements are prepared on the historical cost basis.

#### 2.4 Going concern

The financial statements have been prepared on a going concern basis. The directors have reviewed the current position and cash flow projections of the company. These projections take into account the potential impact of the Covid-19 pandemic as outlined in the "Principal Risks and Uncertainties" Section of the directors' report. The company has net assets of £581,524 and net current liabilities of £18,001 as at 30 December 2019. The company has access to funding from Primacy Healthcare 21 Limited as and when required to finance the payment of liabilities as they fall due. Given the financial interdependency with other Group companies the Directors have also considered the work carried out by Group management as to the impact of COVID 19 which included updating the Group's going concern assessment from the year end focussing on cash flow and the ability of the Group to meet known and potential liabilities. Based on this, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future at the time of approving the financial statements.



# Aquilant Limited

## Notes (continued)

### 2 Accounting policies (continued)

#### 2.5 Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at 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:

##### *Sales of goods*

Revenue from sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing marginal involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### *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 company 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.

#### 2.6 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.

During the year, the company changed the useful lives of its fixed assets in order to align with the group.

The impact of this change in useful lives can be seen in note 4.

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:

	30 December 2019	30 September 2018
Plant and machinery	33%	20%

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

# Aquillant Limited

## Notes (continued)

### 2 Accounting policies (continued)

#### 2.7 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 balance sheet 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.

#### 2.8 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 impairment.

#### 2.9 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.

#### 2.10 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### 2.11 Foreign currency translation

##### **Functional and presentation currency**

The company's functional and presentational currency is British Pounds.

##### **Transactions and balances**

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

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value is determined.

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other operating income'.

# Aquilant Limited

## Notes (continued)

### 2 Accounting policies (continued)

#### 2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

#### 2.13 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the profit and loss account and other comprehensive income 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.

#### 2.14 Retirement benefit obligations

##### *Defined contribution pension plan*

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

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

#### 2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the profit and loss account and other comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

# Aquilant Limited

## Notes (continued)

### 2 Accounting policies (continued)

#### 2.16 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

#### 2.17 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

#### 2.18 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Judgements or key sources of estimation uncertainty that have a material impact on these financial statements include:

##### *Useful economic lives of tangible fixed assets*

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the tangible fixed assets, and note 2.6 for the useful economic lives for each class of assets.

##### *Valuation of stocks*

Stocks are measured at the lower of cost and net realisable value. The company's policy is to hold stocks at original cost and create a stock provision where evidence exists that indicates net realisable value is below cost for a particular item of stock. Damaged, slow-moving or obsolete stock are typical examples of such evidence.

# Aquilant Limited

## Notes (continued)

### 3 Turnover

Turnover represents the amounts derived from the provision of services which fall within the company's ordinary activities, stated net of trade discounts, trade rebates and exclusive of VAT and other sales taxes or duties.

	15 month period ended 30 December 2019 £	Year ended 30 September 2018 £
An analysis of turnover by class of business is as follows:		
Sales and distribution of medical and surgical products	26,685,920	29,267,821
	<u>2019</u>	<u>2018</u>
	£	£
Analysis of turnover by country of destination:		
United Kingdom	26,685,920	29,267,821
	<u>2019</u>	<u>2018</u>
	£	£

All turnover arose within the United Kingdom.

### 4 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after charging:

	15 month period ended 30 December 2019 £	Year ended 30 September 2018 £
Car lease	197,812	229,689
Rent	359,229	291,292
Depreciation of tangible fixed assets	611,320	368,883
Align depreciation to group policy	193,393	-
Exchange loss	64,964	40,892
	<u>2019</u>	<u>2018</u>
	£	£

### 5 Auditor's remuneration

The company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the company:

	15 month period ended 30 December 2019 £	Year ended 30 September 2018 £
Fees for the audit of the company	46,083	32,450
	<u>2019</u>	<u>2018</u>
	£	£

# Aquillant Limited

## Notes (continued)

### 6 Employees

	15 month period ended 30 December 2019 £	Year ended 30 September 2018 £
Staff costs, including directors' remuneration, were as follows:		
Wages and salaries	3,980,249	4,481,944
Social security costs	508,713	582,811
Cost of defined contribution scheme	121,985	132,893
	<u>4,610,947</u>	<u>5,197,648</u>

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

	15 month period ended 30 December 2019 No.	Year ended 30 September 2018 No.
Administration	29	38
Sales representative	36	54
	<u>65</u>	<u>92</u>

### 7 Directors' remuneration

	15 month period ended 30 December 2019 £	Year ended 30 September 2018 £
Directors' emoluments	290,132	223,604
Company contributions to defined contribution pension schemes	-	15,606
	<u>290,132</u>	<u>239,210</u>

Retirement benefits are accruing to the following number of directors under defined contribution pension schemes.

	2019 Number	2018 Number
Defined contribution pension scheme	-	1

The company has not paid any fees or other remuneration to directors related to the directorship role they provided to the company as part of their group wide executive management role. The above amounts are an estimated allocation of the emoluments paid or payable to those individuals in relation to their group wide executive management role. The estimated allocation is based on an estimate of the qualifying services, including management of the affairs of the company, they provided during the financial year.

# Aquilant Limited

## Notes (continued)

### 8 Taxation

	15 month period ended 30 December 2019 £	Year ended 30 September 2018 £
<b>Corporation tax</b>		
Current tax on profits for the year	-	-
Adjustments in respect of previous years	(181,576)	(49,603)
<b>Total current tax credit</b>	<b>(181,576)</b>	<b>(49,603)</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(64,935)	(236,774)
Changes to tax rates	-	24,923
Adjustment in respect of previous years	214,855	23,814
<b>Total deferred tax (credit)/charge</b>	<b>149,920</b>	<b>(188,037)</b>
<b>Taxation on profit on ordinary activities</b>	<b>(31,656)</b>	<b>(237,638)</b>

#### Factors affecting tax charge for the period

The tax assessed for the year is higher than (2018: *higher than*) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	15 month period ended 30 December 2019 £	Year ended 30 September 2018 £
Profit/(loss) on ordinary activities before tax	(1,075,176)	1,920,508
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	(204,283)	364,895
<i>Effects of:</i>		
Non-tax deductible schemes and others	3,574	52,713
Adjustments to tax charge in respect of prior periods	33,279	(25,788)
Dividends from UK companies	-	(985,374)
Group relief surrendered	128,135	330,993
Impact of changes in future tax rates	-	24,923
Deferred tax adjustment	7,639	-
<b>Total tax credit for the period/year</b>	<b>(31,656)</b>	<b>(237,638)</b>

# Aquilant Limited

## Notes (continued)

### 8 Taxation (continued)

#### Factors that may affect future tax charges

UK corporation tax rate is to remain at 19% with effect from 1 April 2020, rather than reducing to 17% as previously enacted. This was substantively enacted on 17 March 2020. For balance sheets prepared to a date prior to 17 March 2020 (e.g. 31 December 2019 year ends), this is a non-adjusting subsequent event, with disclosure required if the effect will be significant.

### 9 Exceptional items

	15 month period ended 30 December 2019 £	Year ended 30 September 2018 £
Sale of intangibles	-	4,662,270
Restructuring	-	(1,431,755)
Other	-	(144,526)
	-	3,085,989

### 10 Tangible fixed assets

	Plant and machinery £	Total £
<b>Cost (Restated)</b>		
At 1 October 2018	2,070,396	2,070,396
Additions	371,994	371,994
Disposals	-	-
<b>At 30 December 2019</b>	<b>2,442,390</b>	<b>2,442,390</b>
<b>Depreciation (Restated)</b>		
At 1 October 2018	1,038,152	1,038,152
Charge for the year	804,713	804,713
Disposals	-	-
<b>At 30 December 2019</b>	<b>1,842,865</b>	<b>1,842,865</b>
<b>Net book value</b>		
At 30 December 2019	599,525	599,525
At 30 September 2018	1,032,244	1,032,244

The opening cost and accumulated depreciation at 1 October 2018 have been restated to correctly present their opening values, this has had no impact on the opening net book value.



# Aquilant Limited

## Notes (continued)

<b>11 Stocks</b>	<b>2019 £</b>	<b>2018 £</b>
Permanent and temporary loan stock	-	622,463
Finished goods and goods for resale	<b>6,350,561</b>	<b>4,144,532</b>
	<hr/>	<hr/>
	<b>6,350,561</b>	<b>4,766,995</b>
	<hr/>	<hr/>

### Replacement costs of stock

There are no material differences between the replacement cost of stock and the balance sheet amounts.

The value of finished goods recognised as cost of sales in the year amounted to £16,866,860 (2018: £19,139,945).

<b>12 Debtors</b>	<b>2019 £</b>	<b>2018 £</b>
Trade debtors	<b>3,113,669</b>	4,527,458
Other debtors	-	544,934
Prepayments	<b>288,930</b>	463,136
Corporation tax	<b>225,437</b>	43,861
Deferred taxation	<b>124,100</b>	274,020
Amounts owed by group undertakings	<b>454,775</b>	1,418,870
	<hr/>	<hr/>
	<b>4,206,911</b>	<b>7,272,279</b>
	<hr/>	<hr/>

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

<b>13 Cash and cash equivalents</b>	<b>2019 £</b>	<b>2018 £</b>
Cash at bank and in hand	<b>129,229</b>	<b>788,916</b>
	<hr/>	<hr/>

# Aquilant Limited

## Notes (continued)

<b>14 Creditors: amounts falling due within one year</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Bank overdraft	-	971,522
Trade creditors	2,165,871	2,233,732
Amounts owed to group undertakings	4,290,212	3,323,661
Social security	170,790	317,579
VAT	250,034	233,465
Accruals and deferred income	1,131,181	1,964,724
Asset based lending facilities (note 15)	2,696,613	3,190,477
	<b>10,704,701</b>	<b>12,235,160</b>

Amounts owed to group undertakings are repayable on demand and repayable on demand.

## 15 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

<b>Creditors: amounts falling due within one year</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Asset based lending facilities	2,696,613	3,190,477

Asset based lending facilities is secured in favour of BNP Paribas Commercial Finance Limited by debenture over the fixed and floating assets of the Company. BNP Paribas Commercial Finance Limited holds a cross company guarantee given by Healthcare 21 (UK) Limited, Tools for Living (Ireland) Limited, Lyncare Systems Limited, Primary Healthcare 21 (International) Limited, Primacy Healthcare 21 Holding Company, Medscope Limited, Healthcare Acquisition Limited, Aquilant Limited, Aquilant Endoscopy Limited, Aquilant Northern Ireland Limited, Aquilant Scientific (ROI) Limited, Aquilant Medical (ROI) Limited, Aquilant Pharmaceutical Limited and Aquilant Analytical Services Limited over the asset based lending facilities of Primacy Healthcare 21 Limited.

<b>Terms and debt repayment</b>	<b>Nominal interest rate</b>	<b>Repayment schedule</b>	<b>30 December 2019</b>	<b>30 September 2018</b>
			<b>€</b>	<b>€</b>
Asset based lending facilities	1.5%/1.75% + Euribor	Monthly	2,696,613	3,190,477

# Aquilant Limited

## Notes (continued)

### 16 Deferred taxation

	15 month period ended 30 December 2019 £	Year ended 30 September 2018 £
At beginning of period/year	274,020	85,983
Credited/(charged) to the profit or loss (note 8)	(149,920)	188,037
<b>At end of period/year</b>	<b>124,100</b>	<b>274,020</b>
	15 month period ended 30 December 2019 £	Year ended 30 September 2018 £
The deferred tax asset is made up as follows:		
Accelerated capital allowances	124,100	71,081
Other timing differences	-	4,606
Tax value of losses carried forward	-	198,333
	<b>124,100</b>	<b>274,020</b>

### 17 Retirement benefits

Retirement benefits for persons providing services to the company are funded through defined contribution retirement schemes, the assets of which are vested in independent trustees for the benefit of such persons and their dependents. The retirement benefit costs charge in the statement of comprehensive income are set out in note 6.

### 18 Share capital

	2019 £	2018 £
<b>Shares, classified as equity</b>		
<i>Authorised, allotted, called up and fully paid</i> 50,000 ordinary shares of £1 each	50,000	50,000

# Aquilant Limited

## Notes (continued)

### 19 Commitments under operating leases

At 30 December 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	15 month period ended 30 December 2019 £	Year ended 30 September 2018 £
<b>Rent</b>		
Within one year	276,585	178,603
Within two to five years	944,999	-
	<hr/>	<hr/>
	1,221,584	178,603
	<hr/>	<hr/>
	15 month period ended 30 December 2019 £	Year ended 30 September 2018 £
<b>Car leases</b>		
Within one year	168,515	167,253
Within two to five years	74,095	195,557
	<hr/>	<hr/>
	242,610	362,810
	<hr/>	<hr/>

### 20 Post balance sheet events

As noted in the Principal Risks and Uncertainties section of the strategic report, the Covid-19 pandemic is a significant event after the balance sheet date. This is a non-adjusting event and an estimate of the financial effect cannot be made at this point in time, as the situation remains a rapidly evolving one.

### 21 Immediate and ultimate parent undertaking

Healthcare Acquisition Limited, an Irish incorporated and resident company, is the Company's parent undertaking, holding 100% of the equity capital of the Company. Primacy Healthcare 21 Limited, an Irish incorporated and resident company, is the parent undertaking of Healthcare Acquisition Limited.

The ultimate parent undertaking is Primacy Healthcare 21 Holding Company Unlimited Company, a company incorporated and resident in the Republic of Ireland, with a registered office of Unit 5, Westpoint Buildings, Westpoint Business Park, Ballincollig, Cork, Ireland.

# Aquilant Limited

## Notes *(continued)*

### **22 Related party transactions**

During the period, the company entered into transactions, in the ordinary course of business, with other group companies. The company has taken advantage of the exemption under paragraph 8(k) of FRS 102.331(a) not to disclose transactions with fellow owned subsidiaries. There were no director's loans or other arrangements with directors in the period.

### **23 Approval of financial statements**

The board of directors approved these financial statements for issue on 16 October 2020.