

**INHEALTH ECHOTECH LIMITED**  
**Unaudited**  
**Directors' Report and Financial Statements**  
**For the year ended 30 September 2020**

SATURDAY



\*AA3LW5E8\*

A01

01/05/2021

#51

COMPANIES HOUSE

**INHEALTH ECHOTECH LIMITED**  
**Directors' Report and Financial Statements**  
**For the Year Ended 30 September 2020**

**Company Information**

**Directors** R J Bradford  
D M Petrie  
A G Searle (appointed 15 April 2020)

**Registered number** 04176884

**Registered office** Beechwood Hall  
Kingsmead Road  
High Wycombe  
Buckinghamshire  
HP11 1JL

**Bankers** Bank of Scotland  
4th Floor  
25 Gresham Street  
London  
EC2V 7HN

**INHEALTH ECHOTECH LIMITED**  
**Directors' Report and Financial Statements**  
**For the Year Ended 30 September 2020**

**Contents**

	<b>Page</b>
<b>Directors' Report</b>	<b>1 - 2</b>
<b>Directors' Responsibilities Statement</b>	<b>3</b>
<b>Statement of Comprehensive Income</b>	<b>4</b>
<b>Balance Sheet</b>	<b>5 - 6</b>
<b>Statement of Changes in Equity</b>	<b>7</b>
<b>Notes to the Financial Statements</b>	<b>8 - 17</b>

**INHEALTH ECHOTECH LIMITED**  
**Directors' Report and Financial Statements**  
**For the Year Ended 30 September 2020**

**Directors' Report**

The Directors present their report and the Financial Statements for the year ended 30 September 2020.

**Principal activity**

The principal activity of the Company is the provision of high quality community based echocardiography services to NHS patients across the UK, relying on very experienced staff and state of the art diagnostic equipment. The Company has seen reduced activity levels as a result of Covid-19 during the year, particularly during the initial wave from March through to July.

**Business review**

Revenue for the year was £1.7 million (2019: £2.2 million) generating a loss of £0.6 million (2019: £0.2 million loss). This positions the Company well for growth and the Directors considers future prospects of the Company to be positive.

**Covid-19**

Following the outbreak of the Covid-19 global pandemic, Healthcare systems across the world have worked to dedicate resources to fight the virus. In the UK the NHS has focussed its attention on dealing with the pandemic which for some services has led to a suspension or reduction in diagnostic tests. InHealth has worked to support and partner with the NHS wherever possible during this period, mobilising specific and innovative Covid-19 responses utilising its people and assets across the UK. The Company has seen reduced activity levels as a result of Covid-19 but continues to support the NHS through this time. Over the next 12 months services are expected to gradually recover as the challenging backlog in diagnostic tests is addressed.

The Directors have reassessed forecasts for the next 12 month period from the date of the approval of the Financial Statements including the potential impact of a slower recovery of services and consider that sufficient funds are available to meet liabilities as they fall due and have therefore prepared the Financial Statements on a Going Concern basis.

**Proposed dividend**

The Directors do not recommend the payment of a dividend (2019: £nil).

**Directors**

The Directors who served during the year and up to the date of signing the Financial statements were as follows:

R J Bradford  
D M Petrie  
A G Searle (appointed 15 April 2020)

**Political contributions**

The Company made no political donations (2019: £nil).

**Employees**

Our people are central to our success in both delivering existing business and winning new contracts. Investment in our people and in building the right working environment will continue to be a priority. As part of the InHealth Group, the Company employs 24 highly skilled and trained professionals with many years of experience working within the health sector.

The Board remains grateful for the contributions made by all individuals.

**INHEALTH ECHOTECH LIMITED**  
**Directors' Report and Financial Statements**  
**For the Year Ended 30 September 2020**

**Directors' Report (continued)**

**Employee involvement**

It is the Company's policy that disabled people are given the same consideration as other applicants for all job vacancies for which they offer themselves as suitable candidates. Similarly, the Company's policy is to continue to employ and train employees who have become disabled, wherever possible.

Every effort has been made to ensure that line managers fully understand that disabled people must have the prospects and promotional opportunities that are available to other employees. The Company makes appropriate modifications to procedures and equipment where it is practical and safe to do so.

**Disabled employees**

It is the Company's policy that disabled people are given the same consideration as other applicants for all job vacancies for which they offer themselves as suitable candidates. Similarly, the Group's policy is to continue to employ and train employees who have become disabled, wherever possible.

Every effort has been made to ensure that line managers fully understand that disabled people must have the prospects and promotional opportunities that are available to other employees. The Company makes appropriate modifications to procedures and equipment where it is practical and safe to do so.

This report was approved by the Board on 23 March 2021 and signed on its behalf.



**R J Bradford**  
Director

**INHEALTH ECHOTECH LIMITED**  
**Directors' Report and Financial Statements**  
**For the Year Ended 30 September 2020**

**Directors' Responsibilities Statement**  
**For the Year Ended 30 September 2020**

The Directors are responsible for preparing 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 financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 judgments and accounting 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 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 to enable them to ensure that the Company 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 company and to prevent and detect fraud and other irregularities.

**INHEALTH ECHOTECH LIMITED**  
**Directors' Report and Financial Statements**  
**For the Year Ended 30 September 2020**

**Statement of Comprehensive Income**  
**For the Year Ended 30 September 2020**

	<b>Note</b>	<b>2020 £000</b>	<b>2019 £000</b>
Turnover	2	1,699	2,223
Cost of sales		(1,272)	(1,338)
<b>Gross profit</b>		<b>427</b>	<b>885</b>
Administrative expenses		(1,000)	(1,040)
<b>Operating loss</b>	3	<b>(573)</b>	<b>(155)</b>
Tax on loss	5	8	4
<b>Loss and total comprehensive loss for the financial year</b>		<b>(565)</b>	<b>(151)</b>

The notes on pages 8 to 17 form part of these Financial Statements.

**INHEALTH ECHOTECH LIMITED**  
**Directors' Report and Financial Statements**  
**Registered number:04176884**

**Balance Sheet**  
**As at 30 September 2020**

	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Tangible assets	6	293	343
		<u>293</u>	<u>343</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	1,530	523
Cash at bank and in hand		158	115
		<u>1,688</u>	<u>638</u>
Creditors: amounts falling due within one year	8	(2,607)	(1,042)
<b>Net current liabilities</b>		<u>(919)</u>	<u>(404)</u>
<b>Total assets less current liabilities</b>		<u>(626)</u>	<u>(61)</u>
<b>Net assets excluding pension asset</b>		<u>(626)</u>	<u>(61)</u>
<b>Net liabilities</b>		<u>(626)</u>	<u>(61)</u>
<b>Capital and reserves</b>			
Called up share capital	10	1	1
Share premium account		50	50
Profit and loss account		(677)	(112)
		<u>(626)</u>	<u>(61)</u>



**INHEALTH ECHOTECH LIMITED**  
**Directors' Report and Financial Statements**  
**Registered number:04176884**

**Balance Sheet (continued)**  
**As at 30 September 2020**

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of Financial Statements.

The Company's Financial Statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The Financial Statements were approved and authorised for issue by the Board and were signed on its behalf on 23 March 2021.

A handwritten signature in black ink, appearing to be 'R J Bradford', with several horizontal strokes extending from the end of the signature.

**R J Bradford**  
Director

The notes on pages 8 to 17 form part of these financial statements.

**INHEALTH ECHOTECH LIMITED**  
**Directors' Report and Financial Statements**  
**For the Year Ended 30 September 2020**

**Statement of Changes in Equity**  
**For the Year Ended 30 September 2020**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
<b>At 30 September 2019 and 1 October 2018</b>	<b>1</b>	<b>50</b>	<b>39</b>	<b>90</b>
Loss for the year	-	-	(151)	(151)
<b>At 1 October 2019</b>	<b>1</b>	<b>50</b>	<b>(112)</b>	<b>(61)</b>
Loss for the year	-	-	(565)	(565)
<b>At 30 September 2020</b>	<b>1</b>	<b>50</b>	<b>(677)</b>	<b>(626)</b>

The notes on pages 8 to 17 form part of these Financial Statements.

**INHEALTH ECHOTECH LIMITED**  
**Directors' Report and Financial Statements**  
**For the Year Ended 30 September 2020**

**Notes to the Financial Statements**

**1. Accounting policies**

**1.1 Accounting policies**

InHealth Echotech Limited is a private company incorporated, domiciled and registered in the UK. The registered number is 04176884 and the registered address is Beechwood Hall, Kingsmead Road, High Wycombe, Buckinghamshire, HP11 1JL.

These Financial Statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these Financial Statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent company, InHealth UK Holdings Limited includes the Company in its consolidated Financial Statements, which are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Beechwood Hall, Kingsmead Road, High Wycombe, Buckinghamshire, HP11 1JL.

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

The Financial Statements are prepared on the historical cost basis.

**1.2 Financial reporting standard 101 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures

**INHEALTH ECHOTECH LIMITED**  
**Directors' Report and Financial Statements**  
**For the Year Ended 30 September 2020**

**Notes to the Financial Statements**

**1. Accounting policies (continued)**

**1.3 Going concern**

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Principal activities section of the Directors' Report on page 1.

The Directors have prepared forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides the Company will have sufficient funds, to meet its liabilities as they fall due for that period. The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. In order to finance the working capital and capital investment, the Company's immediate parent undertaking InHealth Limited confirmed its intention that it will for at least 12 months from the date of approval of these Financial Statements continue to make available such funds as are needed by the Company and in particular will not seek repayment of amounts currently made available. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

On the basis of their assessment of the Company's financial position and of the enquiries made by the Directors of InHealth Limited, the Company's Directors have a reasonable expectation that 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.

**1.4 Non-derivative financial instruments**

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

*Trade and other debtors*

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

*Trade and other creditors*

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

**Notes to the Financial Statements**

**1. Accounting policies (continued)**

**1.5 Tangible fixed assets**

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

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

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. Land is not depreciated. The estimated useful lives are as follows:

- |                         |                             |
|-------------------------|-----------------------------|
| • Plant and equipment   | 4 to 10 years straight line |
| • Fixtures and fittings | 3 to 6 years straight line  |

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Assets in the course of construction have no depreciation charge.

**1.6 Employee benefits**

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the 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.

**1.7 Expenses**

Operating lease payments (under IAS17)

Payments made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

**INHEALTH ECHOTECH LIMITED**  
**Directors' Report and Financial Statements**  
**For the Year Ended 30 September 2020**

**Notes to the Financial Statements**

**1. Accounting policies (continued)**

**1.8 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 enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

**1.9 Significant accounting estimates and judgements**

The preparation of the Financial Statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect reported amounts of assets, liabilities, revenues and expenses during the year.

Management periodically evaluates its estimates and judgements and bases them on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about the carrying values of assets and liabilities that are not readily available from other resources. Actual results may differ from these estimates.

Management concluded that estimates and assumptions have no significant effect on the amounts recognised in the Financial Statements.

**Notes to the Financial Statements**

**1. Accounting policies (continued)**

**1.10 Revenue**

Revenue, which is measured as the fair value of consideration received for the activity performed, represents the amounts invoiced for the provision of community based echocardiography services (excluding value added tax).

Revenue is recognised on the basis of the 5-step model under IFRS 15, which sets out the rules for revenue from contracts with customers based on the satisfaction of performance obligations. Management has undertaken a detailed assessment of all revenue streams using the 5-step approach specified by IFRS 15:

- Identify the contract(s) with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when (or as) a performance obligation is satisfied

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any transaction prices for the time value of money.

**Rendering of services**

Revenue from providing services is recognised in the accounting period in which the services are rendered and when performance obligations are satisfied. The Company typically satisfies its performance obligations as services are rendered on a "per procedure" or "per day" basis, depending upon the terms of the contract. Revenue is recognised when control over the services transfers to the end customer ie. when the end customer has the ability to control the use of the transferred services provided and derive substantially derive their remaining benefits. Revenue is recognised when a contract with enforceable rights and obligations exists and the receipt of consideration is likely, taking into account the customer's credit quality. Payment terms are typically 30 days with no significant financing component or variable consideration. Revenue reflects all sales made by the Company, whether delivered directly or by sub-contractors as the Company remains the principal in all transactions.

For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

Where contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin.

**1.11 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 profit or loss 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.

**INHEALTH ECHOTECH LIMITED**  
**Directors' Report and Financial Statements**  
**For the Year Ended 30 September 2020**

**Notes to the Financial Statements**

**2. Revenue**

An analysis of revenue by class of business is as follows:

	<b>2020</b> <b>£000</b>	2019 £000
Provision of services	<b>1,699</b>	2,223

All revenue arose within the United Kingdom.

**3. Operating loss**

The operating loss is stated after charging:

	<b>2020</b> <b>£000</b>	2019 £000
Depreciation of tangible fixed assets	<b>116</b>	104

**4. Employees**

	<b>2020</b> <b>£000</b>	2019 £000
Wages and salaries	<b>1,011</b>	1,023
Social security costs	<b>103</b>	107
Cost of defined contribution scheme	<b>42</b>	39
	<b>1,156</b>	1,169

The average monthly number of employees, including the Directors, during the year was as follows:

	<b>2020</b> <b>No.</b>	2019 No.
Operations	<b>24</b>	24

All Directors' remuneration was borne by InHealth Limited during the year. The notional cost of Directors to the Company was £4,000 (2019: £4,000) during the year. None of the Directors received any remuneration from the Company during the current or prior year.



**INHEALTH ECHOTECH LIMITED**  
**Directors' Report and Financial Statements**  
**For the Year Ended 30 September 2020**

**Notes to the Financial Statements**

**5. Taxation**

	<b>2020</b>	2019
	<b>£000</b>	£000
<b>Total current tax</b>	<u>-</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(8)	(4)
<b>Total deferred tax</b>	<u>(8)</u>	<u>(4)</u>
<b>Taxation on loss on ordinary activities</b>	<u>(8)</u>	<u>(4)</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2019 : higher than) the standard rate of corporation tax in the UK of 19.00% (2019 : 19.00%). The differences are explained below:

	<b>2020</b>	2019
	<b>£000</b>	£000
Loss on ordinary activities before tax	(573)	(155)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(109)	(29)
<b>Effects of:</b>		
Group relief	101	25
<b>Total tax charge for the year</b>	<u>(8)</u>	<u>(4)</u>

**Factors that may affect future tax charges**

A change in the UK corporation tax rate, announced in the Budget on 11 March 2020, was substantively enacted on 17 March 2020. The rate applicable from 1 April 2020 remained at 19%, rather than the previously enacted reduction to 17%. The deferred tax asset at 30 September 2020 has been calculated based on these rates.

**INHEALTH ECHOTECH LIMITED**  
**Directors' Report and Financial Statements**  
**For the Year Ended 30 September 2020**

**Notes to the Financial Statements**

**6. Tangible fixed assets**

	<b>Plant and machinery £000</b>	<b>Computer equipment £000</b>	<b>Total £000</b>
<b>Cost or valuation</b>			
At 1 October 2019	565	27	592
Additions	7	-	7
Disposals	(39)	(11)	(50)
Transfers between classes	59	-	59
	<hr/>	<hr/>	<hr/>
At 30 September 2020	592	16	608
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1 October 2019	230	19	249
Charge for the year on owned assets	111	5	116
Disposals	(39)	(11)	(50)
	<hr/>	<hr/>	<hr/>
At 30 September 2020	302	13	315
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 30 September 2020	290	3	293
	<hr/>	<hr/>	<hr/>
At 30 September 2019	335	8	343
	<hr/>	<hr/>	<hr/>

**7. Debtors**

	<b>2020 £000</b>	<b>2019 £000</b>
Trade debtors	143	296
Amounts owed by group undertakings	1,192	7
Prepayments and accrued income	183	216
Deferred taxation	12	4
	<hr/>	<hr/>
	1,530	523
	<hr/>	<hr/>

**INHEALTH ECHOTECH LIMITED**  
**Directors' Report and Financial Statements**  
**For the Year Ended 30 September 2020**

**Notes to the Financial Statements**

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

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	14	69
Amounts owed to group undertakings	2,294	676
Other taxation and social security	74	58
Accruals and deferred income	225	239
	<u>2,607</u>	<u>1,042</u>

**9. Deferred taxation**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
At beginning of year	4	-
Charged to profit or loss	8	4
<b>At end of year</b>	<u>12</u>	<u>4</u>

The deferred tax asset is made up as follows:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Accelerated capital allowances	12	4
	<u>12</u>	<u>4</u>

**10. Share capital**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>Authorised, allotted, called up and fully paid</b>		
560 (2019:560) Ordinary "A" shares of £1.00 each	1	1
4 (2019: 4) Ordinary "B", "C", "D" and "E" shares of £1 each of £1.00 each	-	-
	<u>1</u>	<u>1</u>

**INHEALTH ECHOTECH LIMITED**  
**Directors' Report and Financial Statements**  
**For the Year Ended 30 September 2020**

**Notes to the Financial Statements**

**11. Financial instruments**

*Financial risk management*

Management continually monitor the credit risk, liquidity risk and market risk affecting the business and its financial assets and liabilities.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments.

Credit risk, liquidity risk and market risk are not considered material for the Company. These financial risks are considered on a consolidated basis in the Company's ultimate parent company's consolidated Financial Statements.

**12. Ultimate parent undertaking and parent company of larger group**

The ultimate parent undertaking and controlling party is The Damask Trust, the Trustees of which are I H Bradbury and The Embleton Trust Corporation Limited.

The largest Group in which the results of the Company are consolidated is that headed by InHealth UK Holdings Limited, which is incorporated in England and Wales. The smallest Group in which the results of the Company are consolidated is that headed by InHealth Group Limited, which is incorporated in England and Wales. The consolidated Financial Statements of these groups are available to the public and may be obtained from Beechwood Hall, Kingsmead Road, High Wycombe, Buckinghamshire, HP11 1JL.