



Pantheon Holdco Limited

Report and Financial Statements

31 March 2017



AD

Pantheon Holdco Limited

Directors

Kurt Bjorklund
Alessandro Dogliani
Silvia Oteri
Mubasher Sheikh

Auditors

Ernst & Young LLP
Apex Plaza
Forbury Road
Reading
RG1 1YE

Bankers

UniCredit Bank AG
Moor House
120 London Wall
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EC2Y 5ET

Solicitors

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Registered Office

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Strategic report

The directors present their Strategic report and the Financial Statements for the year ended 31 March 2017.

Pantheon Holdco Limited ("the Company" or "Group") was incorporated on 11 June 2014 and began operations in August 2014 when Permira acquired and subsequently combined (i) the UK-based Asterol Limited and its subsidiaries ("Asterol") and (ii) Swiss-based Medical Equipment Solutions and Applications Group Holdings and its subsidiaries ("MESA").

Asterol is the UK's leading vendor-independent provider of managed equipment services ("MES") to the NHS, delivering cost savings and performance improvements across every stage of the equipment lifecycle, from initial assessment of clinical need through to the remarketing of equipment at the end of its useful life.

MESA is the leading pan-European independent multi-vendor provider of maintenance and repair services ("MVS") for high-end medical equipment. Focused on diagnostic imaging MESA delivers field engineering services, spare parts, refurbished equipment and asset management solutions across Europe.

As part of a geographical consolidation strategy, Pantheon has since then acquired and integrated several companies in order to create a Pan-European leader in the clinical engineering sector for management and maintenance services of medical equipment:

On 19 June 2015, the Group acquired Sigil a leading independent multivendor service provider in France, ISO 13485 certified, to support MESA to expand its business in one of the largest European markets. On 22 September 2015 the Group acquired the Biomed business of Ingegneria Biomedica Santa Lucia S.p.a., ("IBSL") a provider of clinical engineering and biomedical equipment services in Italy from Gruppo Giglio. This acquisition fulfils the Group's vision of providing a comprehensive MVS solution which includes Biomedical repair and maintenance services. Now renamed to Higea S.p.a, the company serves more than 100 health facilities throughout Italy managing more than 300,000 medical devices. In connection with this transaction, the Company renegotiated its bank facilities. In June 2015 the Group entered into a Term and Revolving Facilities agreement, part of which funds were used to acquire Higea. On 15 July 2016 Higea purchased the Biomedical Division from Iteon. On 29 July 2016 Higea closed the acquisition of the Biomed business concern of Zephyro, an Italian provider of integrated energy management solutions and biomed services.

Since inception in 2014, Pantheon has made significant investments including: (i) acquiring and integrating entities with complementary skills and geographical presence and (ii) building a high-calibre management team with strong industry experience and (iii) professionalizing the group's infrastructure and systems.

Pantheon is now a leading European vendor-independent provider in procuring, managing and maintaining a comprehensive range of hospital equipment from high-technology and diagnostic imaging to smaller and mobile hospital equipment, currently serving 650 hospitals across Europe and US through its three main business lines:

- MVS for Biomedical devices
- MVS for Diagnostic Imaging equipment
- Managed Equipment Service, inclusive of procurement, commissioning and managing the equipment lifecycle

The Group currently operates through legal entities or branches in 16 countries: Italy, UK, Germany, Switzerland, Spain, Portugal, France, Ireland, Poland, Greece, Macedonia, Turkey, Albania, Romania, Bulgaria and USA. To harmonize centralized strategy and local cross-selling growth at country level, the Group has adopted a country based organization. The newly-introduced structure allows Pantheon Group to better address efforts at country level, capturing all local opportunities thanks to a peripheral reach, while maintaining a unique strategy across all functions.

The past year confirmed the transformation trend of the Healthcare industry, mainly due to global pressures to contain healthcare costs.

Healthcare reforms continued to be high on the agenda throughout Europe in both the public and private sector, including efforts such as the ongoing medical devices directives. In addition, the European Commission made country-specific recommendations for healthcare reforms for 15 of its member states, focused on optimizing the hospital segment, strengthening primary care and rationalizing pharmaceutical spending; however, implementation is challenging and will take time. Even

Strategic report (continued)

beyond these recommendations, cost containment is a major theme, with drug pricing and reimbursement rates as key targets. The below summaries the Group's financial key performance indicators for the period ended 31 March.

£ million	2017	2016	Change	Change %
Revenue	167.1	101.7	65.4	64%
Gross Profit	59.7	39.3	20.4	52%
GP %	35.7%	38.6%	(2.9%)	
EBITDA	27.6	18.0	9.6	53%
EBITDA %	16.5%	17.7%	(1.2%)	
EBITDA adj. before exceptional items	31.0	18.3	12.7	69%
EBITDA adj %	18.6%	18.0%	0.6%	

During the year ending 31 March 2017, the Group recognised revenue of £167.1 million, increase from prior year as a result of the new acquisitions and to volume growth mostly due to new contracts won, primarily in Italy, UK and US.

As far as acquisitions are concerned, results of the prior period include only six months of Higea; if we pro-forma the prior year revenues to include full twelve month results of Higea, Pantheon Group revenues of £167.1 million would have increased by 8.0% compared to a pro-forma comparative and kept at constant FX.

EBITDA is £27.6 million, while £31 million EBITDA excluding exceptional items of £3.4 million which relate to events or transactions that fall outside the ordinary activities and which are not expected to recur. Non-recurring costs have been detailed in the Note 6.

As well as these indicators of financial performance, the group monitors other performance indicators, such as contract profitability, installed base, service quality and parts sourcing.

Strategic report (continued)

Main risks and uncertainties

Strategic risks

Uncertainty of political and economic conditions

The Group operates in a number of countries with disparate macroeconomic outlooks, political climates and approaches to healthcare financing, such that the future level of demand for its products may be difficult to predict. Political and policy changes impacting public sector healthcare may increase the variability and unpredictability of future demand streams.

Possible implications could arise from “Brexit”, potential impacts on future performance and customer base, fluctuation in future interest rates on borrowings, fluctuating exchange rates, and changes to employees/workforce.

Highly competitive markets

Competitors, including some of the Group’s suppliers and the large Original Equipment Manufacturers (“OEM”) of diagnostic imaging and biomedical devices, may reduce their prices or improve their services so as to reduce the number of contracts won by the Group or the margins available on such contracts. The Group is constantly working on further improving its offering to make it increasingly attractive to its customers.

Changes in technology underlying products and services

The Group may not respond quickly enough to significant changes in technology affecting its portfolio of products and services.

Operational risks

Contractual performance

Long-term service and maintenance contracts may not be delivered to the agreed contractual standards and within budgeted costs. Unforeseen service events could increase costs within a financial period, although the long-term trends are expected to remain stable and in line with Group expectations.

Acquisitions

Integrating acquisitions may absorb a disproportionate amount of management time, and the costs of integration may exceed anticipated synergies. Some smaller acquisitions may require more investment and support in order to achieve scale, which may delay the achievement of forecast benefits.

Employees

The Group may be unable to hire, develop and retain the numbers of highly experienced and qualified professionals needed to deliver its products and services. As competitors enter the market, there may be high demand for limited resources, thereby increasing employee turnover and/or increasing the costs to retain key employees.

Supply chain

Due to the immature European supply chain for third party and OEM parts, the Group may have to buy a large percentage of its parts from the OEM’s directly, thereby increasing cost. Helium is a material component of service support of MRI systems, its price is subject to volatile market fluctuations.

Financial risks

The principal operating currencies of the Group are Sterling, Euro, Swiss Franc and US Dollar, and some level of currency fluctuation can be expected, although natural hedges exist within the Group’s business. Financial risks are further discussed in the Directors’ Report on page 6 and 7. An increase in the Group’s exposure to public sector and Government healthcare systems in certain territories could result in slower cash collection.

Strategic report (continued)

Compliance risks

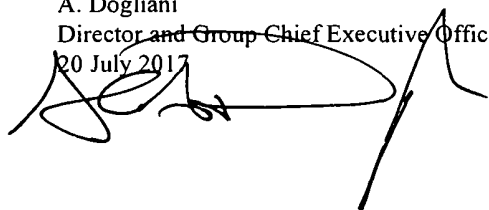
The Group has taken measures to ensure compliance to all known healthcare regulations, data protection acts, security of patient data per HIPPA standards, and ensured all employees have read and signed the Group Code of Conduct, Gifts & Entertainment and Compliance Policy as a part of the acquisition process, employee on boarding and ongoing talent management process.

The Group has also undergoing an ISO 37001 Anti-Bribery Management Systems Certifications. As of today all controlled entities operating in Italy, Switzerland, UK, Poland, USA, France and Turkey implemented policies and completed independent audit, obtaining the certification of being ISO 37001 compliant, first companies in the industry to receive such certification. Next step will be the certification at Group level.

Continued management and auditing of adherence to these programs will be required to avoid compliance risks, especially in light of the Group's move into new emerging markets where local business practices may conflict with Group policies.

On behalf of the Board

A. Dogliani
Director and Group Chief Executive Officer
20 July 2017



Registered No. 9082624

Directors' report

The directors present their annual report and the audited financial statements of the Group and the Company for the year to 31 March 2017. This report covers the period from 1 April 2016 to 31 March 2017.

Results and dividends

The results for the period are set out on pages 12 to 41. The Group loss for the year after taxation amounted to £11.5 million. The directors do not propose the payment of a final dividend for the period.

Future developments

The Group continues to monitor opportunities to grow the business organically but also through new acquisitions.

Group main "go to market" goals are:

- Expand organically in our core and large developed markets such as Italy, UK and Poland, leveraging cross-selling opportunities;
- Exploit large growth opportunities in developed and emerging markets;
- Continue to assess potential acquisitions to accelerate market entries.

As noted in the Strategic Report, during the period the Group has acquired the Biomedical Division from Iteon and Biomedicale S.r.l.

Events since the balance sheet date

On 12th May 2017, Double 2 S.p.A. ("Double"), a vehicle established by PantheLux TopCo S.a.r.l., ultimate parent of the Company, announced the intention to promote a voluntary Public Tender Offer ("PTO") for the entire share capital of ITAL Telematic and Biomedical Services S.p.A. ("TBS", or the "Target") at a price of EUR 2.2 per share with the aim of delisting the Target (the "P2P").

At a 29% premium to the weighted LTM (last twelve months) average share price, the PTO values TBS equity at ~EUR 91m (with maximum cash-out of EUR 93m should treasury shares be tendered as well). The offer will only be effective if Double reaches ownership of at least a 50% plus one share in TBS share capital; closing is expected in July 2017.

PantheLux TopCo's intention is to combine TBS with the Group.

Financial instruments

The Group's aim is to ensure that the use of financial instruments does not increase the risks inherent in the Group's operations. Policies are in place to minimise the risks that counterparties to financial instruments do not perform their contractual commitments, that the group might be unable to meet its contractual obligations, and that cash flows resulting from financial instruments might differ from those expected.

Exposure to price, credit, liquidity, cash flow foreign currency risk and interest rate risk

Price risk arises where the Group holds assets that have a variable market price, such that the amount for which they can be realised is uncertain, or when it is contractually obliged to purchase assets at market price under a contract with fixed revenue, such that the margin on the contract is uncertain. The nature of the Group's operations minimises its exposure to such risk.

Credit risk is the risk that the group will suffer a financial loss because a counterparty to a financial instrument does not discharge its obligations. Group policies aim to minimise such losses by assessing the payment history and creditworthiness of counterparties before entering into contracts on deferred terms.

Liquidity risk is the risk that the Group will have difficulty settling its liabilities as they fall due. This risk is managed by monitoring cash generation and collection in all the Group's operations, and maintaining bank facilities which are committed for not less than five years, and which provide borrowing capacity well in excess of anticipated operational requirements.

Directors' report (continued)

Cash flow risk is the risk of exposure to variability in future cash flows relating to recognised assets or liabilities, such as variable interest rates on borrowings. The Group is selective about its exposure to such risks, and may use derivative instruments to mitigate any exposures that arise.

Foreign currency risk is the risk that exchange rates between the Group's operating currencies may vary, reducing the recoverable amount of assets or the present value of future income streams. The Group minimises this exposure by seeking as far as possible to match the currency of cash inflows and outflows, and of borrowings financing acquired assets.

The Group has started in FY17 using interest rate swaps to adjust interest rate exposures in order to guarantee fixed interest payments where payments are variable and hence exposed to interest rate movements.

Going concern

The Directors intend to migrate Mesa Group Holdings GmbH ("Mesa"), a legal entity incorporated in Switzerland, to Italy and then enter Pantheon Holdco Limited ("the Company") into a cross-border merger with Mesa Group Holdings. The merger agreement is subject to a process involving the notification of creditors and other stakeholders followed by an application for court approval. Before approving the transaction the court must consider any objections raised through the notification process. If such court approval is given, the Company's assets, liabilities, rights, claims, and operations will be absorbed by Mesa and the Company will be dissolved.

As it is management's intention to dissolve the Company, these financial statements have been prepared on a basis other than Going Concern. Given that Mesa is to be regarded as a continuation of the Company and that the Company's assets and liabilities will be transferred at their carrying amounts, no restatement or reclassification of assets or liabilities has been considered necessary. Furthermore operations have not been presented as discontinued in these financial statements given that the Company's activities are planned to be continued through the merged entity.

Directors' liabilities

The Group maintains an insurance policy to indemnify directors and officers for losses or defence costs arising from the performance of their duties.

Directors

The directors who served the Company during the period were as follows:

Silvia Oteri
Mubasher Sheikh
Kurt Bjorklund
Alessandro Dogliani
Stephen Hodgson (resigned 21 July 2016)
Ed Sloan (resigned 17 October 2016)
Fabio Tomassini (resigned 13 December 2016)
Robert Allen Piconi (resigned 13 December 2016)

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

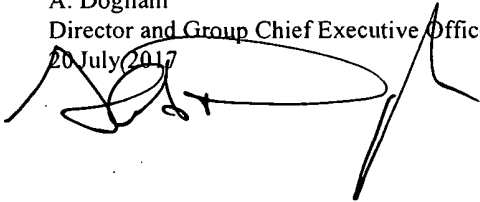
Directors' report (continued)

Auditors

In accordance with section 485 of the Companies Act 2006, a resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board

A. Dogliani
Director and Group Chief Executive Officer
20 July 2017



Directors' responsibilities statement

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 period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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



Independent Auditor's report to the Members of Pantheon Holdco Limited

We have audited the financial statements of Pantheon Holdco Limited for the year ended 31 March 2017 which comprise Group Income Statement, the Group and Company Statement of Other Comprehensive Income, the Group and Company Statement of Financial Position, the Group Cash Flow Statement, the Group and Company Statement of Changes in Equity and the related notes 1 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The financial Reporting Standard applicable in the UK and Republic of Ireland".

As disclosed in Note 1.2, the financial statements have been prepared on a basis other than going concern as the directors intend to enter the Company into a cross-border merger with Mesa Group Holdings GmbH.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 March 2017 and of the group's loss for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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.

Independent Auditor's report to the Members of Pantheon Holdco Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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

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



David Hales (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Reading

25 July 2017

Group income statement

For the period ended 31 March

	Notes	2017 £000	2016* £000
Turnover		167,069	101,697
Cost of sales		(107,390)	(62,421)
Gross profit		59,679	39,276
Administrative expenses		(60,087)	(39,725)
<i>Analysed as:</i>			
Administrative expenses (excluding amortisation, depreciation and exceptional item)		(28,736)	(20,935)
Operating profit before amortisation, depreciation and exceptional items		30,943	18,341
Exceptional items	6	(3,385)	(370)
Amortisation and depreciation	10,11	(27,966)	(18,420)
Operating loss	2	(408)	(449)
Interest receivable and similar income	7	2,177	1,001
Interest payable and similar charges	8	(9,645)	(7,557)
Loss on ordinary activities before taxation		(7,876)	(7,005)
Tax	9	(3,632)	(177)
Loss for the financial year		(11,508)	(7,182)
<i>Loss for the financial year attributable to:</i>			
Non-controlling interests		63	-
Owners of the parent company		(11,571)	(7,182)
		(11,508)	(7,182)

*2016 results have been restated in order to present exceptional items.

All results derive from continuing operations.

Group and company statement of comprehensive income

For the period ended 31 March

	2017	2016
<i>Group</i>	£000	£000
<i>Loss for the financial year</i>	(11,508)	(7,182)
Exchange difference on retranslation of foreign operations	4,279	3,048
<i>Total comprehensive income for financial year</i>	<u>(7,229)</u>	<u>(4,134)</u>
<i>Total comprehensive income for financial year attributable to:</i>		
<i>Non controlling interests</i>	81	-
<i>Owners of the parent company</i>	<u>(7,310)</u>	<u>(4,134)</u>
	<u>(7,229)</u>	<u>(4,134)</u>

Company

There are no amounts going other comprehensive income and as such a separate statement has not been presented.



Group and company statement of changes in equity

For the period ended 31 March

<i>Group</i>	Called-up share capital £000	Profit and loss account £000	Non controlling interests £000	Total equity £000
At 31 March 2015	99,899	(6,232)	-	93,667
Loss for the period	-	(7,182)	-	(7,182)
Other comprehensive income	-	3,048	-	3,048
Total comprehensive income for the period	-	(4,134)	-	(4,134)
At 31 March 2016	99,899	(10,366)	-	89,533
At 1 April 2016	99,899	(10,366)	-	89,533
Loss for the period	-	(11,571)	63	(11,508)
Other comprehensive income	-	4,261	18	4,279
Total comprehensive income for the period	-	(7,310)	81	(7,229)
Acquisition	-	-	1,269	1,269
New shares issued	32,477	-	-	32,477
At 31 March 2017	132,376	(17,676)	1,350	116,050

<i>Company</i>	Called-up share capital £000	Profit and loss account £000	Total equity £000
At 31 March 2015	99,899	(1,775)	98,124
Loss for the period	-	(6,473)	(6,473)
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	(6,473)	(6,473)
At 31 March 2016	99,899	(8,248)	91,651
At 1 April 2016	99,899	(8,248)	91,651
Loss for the period	-	(12,999)	(12,999)
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	(12,999)	(12,999)
New shares issued	32,477	-	32,477
At 31 March 2017	132,376	(21,247)	111,129

Group statement of financial position

At 31 March

		2017	2016
	Notes	£000	£000
Fixed assets			
Intangible assets: Goodwill	10	100,585	93,471
Intangible assets: Others	10	67,213	66,002
Tangible assets	11	30,460	29,550
		<u>198,258</u>	<u>189,023</u>
Current assets			
Stocks	13	17,404	13,530
Debtors: amounts falling due within one year	14	69,627	64,866
Debtors: amounts falling due after more than one year	14	5,286	2,762
Cash at bank and in hand		24,923	33,837
		<u>117,240</u>	<u>114,995</u>
Creditors: amounts falling due within one year	15	(69,179)	(93,452)
Net current assets		<u>48,061</u>	<u>21,543</u>
Total assets less current liabilities		<u>246,319</u>	<u>210,566</u>
Creditors: amounts falling due after more than one year	16	(114,388)	(108,191)
Provisions for liabilities	19	(15,881)	(12,842)
Net assets		<u>116,050</u>	<u>89,533</u>
Capital and reserves			
Called up share capital	20	132,376	99,899
Profit and loss account		(16,326)	(10,366)
Equity attributable to:			
Non- controlling interests		1,350	-
Owners of the parent company		<u>114,700</u>	<u>89,533</u>
		<u>116,050</u>	<u>89,533</u>

The financial statements of Pantheon Holdco Limited and related notes 1 to 27 were approved by the board of directors and were signed on its behalf by:

A. Dogliani
Director and Group Chief Executive Officer
20 July 2017



Company statement of financial position

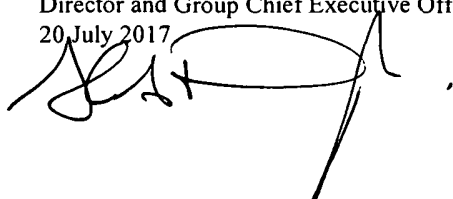
At 31 March

	Notes	2017 £000	2016 £000
Fixed assets			
Intangible assets	10	1,071	190
Tangible assets	11	1,688	1,514
Investments	12	111,521	180,992
		<u>114,280</u>	<u>182,696</u>
Current assets			
Debtors: amounts falling due within one year	14	23,930	48,937
Debtors: amounts falling due after more than one year	14	101,674	-
Cash at bank and in hand		2,271	8,793
		<u>127,875</u>	<u>57,730</u>
Creditors: amounts falling due within one year	15	<u>(18,865)</u>	<u>(43,492)</u>
Net current assets		<u>109,010</u>	<u>14,238</u>
Total assets less current liabilities		<u>223,290</u>	<u>196,934</u>
Creditors: amounts falling due after more than one year	16	<u>(112,161)</u>	<u>(105,283)</u>
Net assets		<u>111,129</u>	<u>91,651</u>
Capital and reserves			
Called up share capital	20	132,376	99,899
Profit and loss account		<u>(21,247)</u>	<u>(8,248)</u>
		<u>111,129</u>	<u>91,651</u>

No Income Statement is presented for Pantheon Holdco Limited as permitted by section 408 of the Companies Act 2006.

The financial statements of Pantheon Holdco Limited were approved by the board of directors and were signed on its behalf by:

A. Dogliani
Director and Group Chief Executive Officer
20 July 2017



Group statement of cash flows

For the period ended 31 March

	Notes	2017	2016
		£000	£000
Net cash inflow from operating activities	22	17,330	19,471
Investing activities			
Interest received		43	301
Payments to acquire intangible fixed assets		(3,284)	(639)
Payments to acquire tangible fixed assets		(7,596)	(8,927)
Receipts from sales of tangible fixed assets		368	64
Purchase of subsidiary undertaking		(6,392)	(90,234)
Net cash acquired with subsidiary undertaking		7	3,961
Net cash outflow from investing activities		(16,854)	(95,474)
Financing activities			
Interest paid		(7,817)	(3,139)
Interest element of finance lease rental payments		(116)	(78)
Issue costs on new long-term loans		-	(4,634)
New long term loans		1,283	105,342
New short term loan from parent company		-	28,468
Repayment of long-term loans		(3,331)	(27,568)
(Repayment) / increase of capital element of finance leases and hire purchase contracts		(895)	472
Net cash (outflow) / inflow from financing activities		(10,876)	98,863
(Decrease) / Increase in cash and cash equivalents		(10,400)	22,860
Cash and cash equivalents at 1 April		33,837	11,923
Effect of exchange rates on cash and cash equivalents		1,486	(946)
Cash and cash equivalents at 31 March		24,923	33,837

Other non-cash movements: No proceeds were generated from the additional share capital issued in the year as this was issued to Pantheon Midco2 Ltd in settlement of a loan payable (Note 20).

Notes to the financial statements

At 31 March

1. Accounting policies

1.1 Statement of compliance

Pantheon Holdco Limited is a limited company incorporated in England. The Registered Office is Unit 4, Theale Commercial Estate, Ely Road, Theale, Berkshire RG7 4BQ.

The Group's financial statements have been prepared in compliance with Financial Reporting Standard (FRS) 102 as it applies to the financial statements of the Group for the year ended 31 March 2017.

1.2 Basis of preparation

The financial statements of Pantheon Holdco Limited (the "Company" or "Group") were authorised for issue by the Board of Directors on 20 July 2017.

The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the group and rounded to the nearest £'000.

The Company has taken advantage of the disclosure requirements in Section 33 Related Party Disclosure paragraph 33.7, as the Company is consolidated in the ultimate parent's financial results.

The Directors intend to migrate Mesa Group Holdings GmbH ("Mesa"), a legal entity incorporated in Switzerland, to Italy and then enter Pantheon Holdco Limited ("the Company") into a cross-border merger with Mesa Group Holdings. The merger agreement is subject to a process involving the notification of creditors and other stakeholders followed by an application for court approval. Before approving the transaction the court must consider any objections raised through the notification process. If such court approval is given, the Company's assets, liabilities, rights, claims, and operations will be absorbed by Mesa and the Company will be dissolved.

As it is management's intention to dissolve the Company, these financial statements have been prepared on a basis other than Going Concern. Given that Mesa is to be regarded as a continuation of the Company and that the Company's assets and liabilities will be transferred at their carrying amounts, no restatement or reclassification of assets or liabilities has been considered necessary. Furthermore operations have not been presented as discontinued in these financial statements given that the Company's activities are planned to be continued through the merged entity.

1.3 Group financial statements

The Group financial statements consolidate the financial statements of Pantheon Holdco Limited and all its subsidiary undertakings drawn up to 31 March each year. All subsidiary undertakings have been included in the group financial statements using the acquisition method of accounting. Accordingly, the Group profit and loss account and statement of cash flows include the results and cash flows of all subsidiary undertakings from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities.

Intercompany transactions and balances and unrealised gains on transactions between Group companies are eliminated. Accounting policies are consistently applied throughout the Group.

The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition. In the parent undertaking financial statements investments in subsidiaries are accounted for at the lower of cost and net realisable value.

In the parent company financial statements investments in subsidiaries are accounted for at cost less impairment.

1.4 Judgements and key sources of estimation uncertainty

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

Notes to the financial statements

At 31 March

Accounting policies (continued)

Goodwill (useful life)

The Group establishes a reliable estimate of the useful life of goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected usual life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Tax

The Group establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 9.

Valuation of intangibles

In accordance with business combination accounting, the Group allocated the purchase price of acquired companies to the tangible and intangible assets acquired and liabilities assumed, based on their estimated fair values. The Group engaged third-party appraisal firms to assist management in identifying certain intangible assets acquired and in determining the fair values of certain assets acquired and liabilities assumed. Such valuations require management to make significant estimates and assumptions, especially with respect to intangible assets. Management makes estimates of fair value based upon assumptions believed to be reasonable. These estimates are based on historical experience and information obtained from the management of the acquired companies and are inherently uncertain. Critical estimates in valuing certain assets acquired and liabilities assumed include but are not limited to: future expected cash flows from the secured contracts and discount rate. Unanticipated events and circumstances may occur that may affect the accuracy or validity of such assumptions, estimates or actual results.

1.5 Significant accounting policies

Business Combinations

The purchase method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the following:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Directly attributable acquisition-related costs are capitalised and added to the cost of the investment (company) or goodwill (group). Other acquisition related costs are expenses in the period to which they relate.

Notes to the financial statements

At 31 March

Accounting policies (continued)

Goodwill

Goodwill arising from business combination shall be recognised as an asset, at the acquisition date. Initially it shall be measured at its cost, being the excess of the cost of the business combination over the acquirer's interest in the net amount of the identifiable assets, liabilities and contingent liabilities.

Goodwill arising on such transactions is treated as an asset of the operation to which the goodwill is allocated for impairment testing purposes and translated at the closing rate, where the goodwill is not allocated to a Sterling-based CGU. Foreign exchange differences on goodwill denominated in a different functional currency to the Group's presentational currency are recognised in the translation reserve.

After initial recognition, the acquirer shall measure goodwill acquired in a business combination at cost less accumulated amortisation and accumulated impairment losses. Goodwill arising on the business combination is being amortized evenly over the Directors' estimate of its useful life of 10 years. The estimated useful life is based on a variety of factors such as the expected use of the acquired business, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses. Having considered these factors the directors believe that a useful life of 10 years is appropriate for goodwill.

Intangible fixed assets

An intangible asset acquired in a business combination is normally recognised as an asset because its fair value can be measured with sufficient reliability. However, an intangible asset acquired in a business combination is not recognised when it arises from legal or other contractual rights and there is no history or evidence of exchange transactions for the same or similar assets, or otherwise estimating fair value would be dependent on immeasurable variables.

An entity shall measure an intangible asset initially at cost.

The Group measures intangible assets after initial recognition using the cost model: after recognition under the cost model, the Group measures its assets at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life: the Group allocates the depreciable amount of intangible assets on a systematic basis over its useful life. The amortisation charge for each period is recognised in profit or loss and they are disclosed, here below:

Goodwill	-	10 years
Customer contracts	-	over 6 to 17 years
Other intangible	-	over 5 to 15 years

Impairment

The group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If there is no indication of impairment, it is not necessary to estimate the recoverable amount.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments for the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Any impairment loss shall be recognized immediately in profit or loss unless the asset is carried at a revalued amount in accordance with another section (for example, property, plant and equipment).

Any decrease in a revalued amount shall be treated as a revaluation decrease in accordance with that other section.

Any impairment loss recognised for all assets, including goodwill, shall be reversed in a subsequent period if, and only if, the reasons for the impairment have ceased to exist.

Notes to the financial statements

At 31 March

Accounting policies (continued)

Tangible fixed assets

All items of property, plant and equipment shall be measured after initial recognition using the cost model. Under the cost model, any item of property, plant and equipment is valued at cost less any accumulated depreciation and any accumulated impairment losses. The difference between the purchase price or production cost and estimated residual value of a fixed asset which has a limited useful economic life should be allocated on a systematic basis to each accounting period during the useful life of the asset. The depreciation charge for each period should be recognised as an expense in the profit and loss account unless it is permitted to be included in the carrying amount of another asset. For each major class of depreciable asset the method of depreciation and the useful economic lives (or depreciation rates) are disclosed, here below:

Leasehold improvements	—	over the shorter of the lease term and 20 years
Managed medical equipment	—	over 5 to 15 years
Computer hardware and software	—	over 3 years

Investments

Fixed asset investments are initially recognised at cost. The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Revenue recognition

Revenue are measured at the fair value of the consideration received or receivable. The fair value of the consideration received or receivable takes into account the amount of any trade discounts, prompt settlement discounts and volume rebates allowed by the entities.

Turnover

Turnover and profit before taxation were derived from the principal continuing activity of the company.

Turnover analysed by geographical market is not disclosed because the directors consider such disclosure would be prejudicial to the business of the company.

Identification of the revenue transaction

The Group usually applies the revenue recognition criteria separately to each transaction. However, an entity applies the recognition criteria to the separately identifiable components of a single transaction when necessary to reflect the substance of the transaction: recognition criteria are applied to the separately identifiable components of a single transaction when the selling price of a product includes an identifiable amount for subsequent servicing. Conversely, the recognition criteria are applied to two or more transactions together when they are linked in such a way that the commercial effect cannot be understood without reference to the series of transactions as a whole.

Turnover, which relates to the company's principal activity, represents the aggregate value of fees earned to date net of recoverable expenses and excluding Value Added Tax. The following criteria must also be met before revenue is recognised:

Sale of goods

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

- a) significant risks and rewards of ownership of the goods has transferred to the buyer;
- b) the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- c) the amount of revenue can be measured reliably;
- d) it is probable that the economic benefits associated with the transaction will flow to the entity;
- and
- e) the costs incurred or to be incurred in respect of the transaction can be measured reliably

Notes to the financial statements

At 31 March

Accounting policies (continued)

Rendering of services

The Group shall recognise revenue associated with the transaction by reference to the stage of completion of the transaction at the end of the reporting period (sometimes referred to as the percentage of completion method), when the outcome of a transaction involving the rendering of services can be estimated reliably.

The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- a) the amount of revenue can be measured reliably;
- b) it is probable that the economic benefits associated with the transaction will flow to the entity;
- c) the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- d) costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified period of time, the Group recognises revenue on a straight-line basis over the specified period unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other act, the entity postpones recognition of revenue until the significant act is executed.

Accounting for service concession arrangements

The Group has applied the transition exemption under FRS 102 for Service Concession Arrangements, which allows the Group to recognise revenue under the previous UK GAAP revenue recognition policy for arrangements which existed at the FRS 102 transition date. Under the old policy, the revenue is recognised as payment is received for services rendered on a percentage of completion basis. The Company continues to recognise the fixed assets on the balance sheet as the benefits and risks of the property remain with the Company.

For any new arrangements, the Group applies the guidance in Service Concession Arrangements. The consideration receivable is allocated by reference to the relative fair values of the service delivered; maintenance and operational services, procurement of equipment and interest income. The consideration receivable for rendering of maintenance and operational services is deferred and recognised as revenue over the period the service is performed. The consideration receivable is recognised as a loan receivable with interest income recognised over the life of the contract. The interest income is recognised in revenues in the income statement.

Interest income

Revenue is recognised as interest accrues using the effective interest method.

Dividends

Revenue is recognised when the Group's right to receive payment is established.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition

Costs include the ongoing purchase cost of stock and any direct repair costs incurred in bringing stock to a full working condition. The cost of used imaging systems is allocated to the separate components in proportion to the market value of the individual component so that the cost of all the parts does not exceed the original cost to Group. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Notes to the financial statements

At 31 March

Accounting policies (continued)

Provisions for liabilities

A provision is recognised only when

- a) The Group has an obligation at the reporting date as a result of a past event;
- b) It is probable (i.e. more likely than not) that the entity will be required to transfer economic benefits in settlement;
- c) The amount of the obligation can be estimated reliably.

The provision is recognised as a liability in the statement of financial position and shall recognise the amount of the provision as an expense, unless another section of this FRS requires the cost to be recognised as part of the cost of an asset such as inventories or property, plant and equipment.

Non-GAAP measures

In the reporting of financial information, the Group uses certain non-statutory alternative performance measures that are not required under FRS 102, the generally accepted accounting principles ("GAAP") under which the Group reports. The Group believes that these additional measures, which are also used internally, are useful to the users of the financial information to assist in the understanding of underlying business performance. The principal non-GAAP measure which the Group uses is EBITDA.

EBITDA represents operating profit before exceptional items, depreciation and amortisation.

Exceptional items

Exceptional items, which are presented on the face of the consolidated income statement, are those material items of income and expense which, because of their nature and expected infrequency of the events giving rise to them, merit separate presentation to allow users of the consolidated financial statements to understand the elements of financial performance in the period, to facilitate comparison with prior periods and to assess trends in performance.

Current Tax

Taxation is chargeable on the profits of the period, together with deferred taxation. Current tax is the expected tax payable or recoverable on the taxable income or loss for the period using the tax rates and legislation that have been enacted or substantively enacted at the balance sheet date, and any adjustment to tax in respect of previous periods.

Deferred taxation

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that 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, except that:

- Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;
- Where there are differences between amounts that can be deducted for tax for assets (other than goodwill) and liabilities compared with the amounts that are recognised for those assets and liabilities in a business combination a deferred tax liability/(asset) shall be recognised. The amount attributed to goodwill is adjusted by the amount of the deferred tax recognised; and
- Unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes to the financial statements

At 31 March

Accounting policies (continued)

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Company

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Group

Each entity in the group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The assets and liabilities of overseas subsidiary undertakings are translated into the presentational currency at the rate of exchange ruling at the balance sheet date. Income and expenses for each statement of comprehensive income are translated at exchange rates at the dates of transaction. All resulting exchange differences are recognised in other comprehensive income.

The Group has certain group undertakings, loan receivables and payables of foreign subsidiaries, which are treated as net investments of foreign operations as settlement is neither planned nor likely to occur in the foreseeable future. Exchange differences arising on such items are recognised in other comprehensive income and accumulated in equity.

Interest-bearing loans and borrowings

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the bank (including interest). After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment. The effective interest rate amortisation is included in finance revenue in the income statement. Transaction costs directly attributable to the financing arrangement are capitalised against the loan and amortised over the term of the loan.

Hedge accounting – net investment

The Group uses a loan as a hedge of its exposure to foreign exchange risk on its investments in foreign subsidiaries. Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as OCI while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the statement of profit or loss. The Group uses a loan as a hedge of its exposure to foreign exchange risk on its investments in foreign subsidiaries.

Exceptional items

Exceptional items are related to events or transactions that fall outside the ordinary activities and which are not expected to recur.

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the group, and hire purchase contracts are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the asset's useful lives.

A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the balance sheet. Lease payments are apportioned between the

Notes to the financial statements

At 31 March

Accounting policies (continued)

reduction of the lease liability and finance charges in the income statement so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

Pensions

Contributions to defined contribution schemes are recognised in the profit and loss account in the period in which they become payable.

Financial instruments

Financial assets and financial liabilities are initially measured at fair value and subsequently measured at either fair value or amortised cost. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Otherwise transaction costs are recognised immediately in profit or loss.

The Group has the following categories of financial instruments:

Cash at bank and in hand

Cash and cash equivalents in the balance sheet comprise cash at banks. Overdrafts are normally considered financing activities similar to borrowings.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Loan notes and other financial assets

Loan notes and other financial assets which are basic financial instruments are initially recorded at the present value of future payments discounted at a market rate of interest for a similar loan, less directly attributable transactions costs. Subsequently, they are measured at amortised cost using the effective interest method. Loan notes and other financial assets that are receivable within one year are not discounted.

Notes to the financial statements

At 31 March

2. Group operating loss

This is stated after charging/(crediting):

	2017	2016
	£000	£000
Amortisation of intangibles	7,599	5,047
Amortisation of goodwill	11,757	6,985
Depreciation of fixed assets	8,312	6,389
Impairment of fixed assets	169	10
Foreign exchange differences	(624)	(684)
Operating lease rentals – plant and machinery	7	320
– land and buildings	483	409

3. Auditors' remuneration

	2017	2016
	£000	£000
Audit of the group financial statements (including Company only fee of £ 5,000)	181	105
Audit of subsidiaries	343	116
Tax compliance services	60	70
Tax advisory services	130	-
Other non-audit services	75	1,115
	<u>789</u>	<u>1,406</u>

4. Directors' remuneration

	2017	2016
	£000	£000
Aggregate remuneration in respect of qualifying services	1,517	3,508
Aggregate remuneration of the highest paid director	<u>603</u>	<u>2,722</u>

The aggregate value of company contributions paid to a pension scheme of two directors, during the year, amount to £89,000 (2016: £13,000). Retirement benefits paid to one directors (2016: two) under defined contribution schemes amount to £7,000. There are no share options which have been granted to any directors.

The aggregate remuneration of the highest paid director was £603,000 (2016: £2,722,000) including company pension contributions of £64,000 (2016: £nil) that were made to a money purchase scheme on their behalf.

During 2017, £294,000 (2016: £nil) was payable to one director as compensation for loss of office.

Notes to the financial statements

At 31 March

5. Staff costs

Group

	2017	2016
	£000	£000
Wages and salaries	29,581	17,727
Social security costs	5,351	2,844
Other pension costs	1,079	323
	<u>36,011</u>	<u>20,894</u>

Other pension costs include relate to amounts solely in respect of the defined contribution plan.

The average monthly number of employees during the period was made up as follows:

	2017	2016
	No.	No.
Operations	675	480
Sales and administration	148	173
	<u>823</u>	<u>653</u>

Company

The average numbers of employees has not been disclosed for Pantheon Holdco since the Company has no employees.

6. Exceptional items

	2017	2016
	£000	£000
M&A expenses	697	-
Restructuring and reorganization costs	150	222
Consulting tax and legal fees	1,079	148
Personnel costs	603	-
Others	856	-
Total	<u>3,385</u>	<u>370</u>

Exceptional costs are mainly related to group reorganization costs. Additional one-off costs were needed in order to achieve the planned synergies necessary for the re-organization of the Group, including Personnel, legal and professional costs.

Notes to the financial statements

At 31 March

7. Interest receivable and similar income

	2017	2016
	£000	£000
Interest element of finance lease income	9	16
Interest on external loans and receivables	276	229
Bank interest receivable	21	72
Foreign exchange differences arising on financial assets and liabilities	1,871	684
	<u>2,177</u>	<u>1,001</u>

8. Interest payable and similar charges

	2017	2016
	£000	£000
Bank interest payable and related charges	7,765	4,429
Loan interest due to parent company	-	88
Foreign exchange differences arising on financial assets and liabilities	1,246	-
Amortisation of financing costs	509	2,945
Finance charges on finance lease obligations	125	95
	<u>9,645</u>	<u>7,557</u>

9. Tax

Group

Tax charge on loss on ordinary activities

	2017	2016
	£000	£000
<i>Current tax</i>		
UK corporation tax	571	221
Adjustments in respect of prior years	-	(58)
	<u>571</u>	<u>163</u>
Overseas tax	3,509	2,142
Adjustments in respect of prior years	(79)	25
	<u>3,430</u>	<u>2,167</u>
Total current tax	<u>4,001</u>	<u>2,330</u>



Notes to the financial statements

At 31 March

Tax (continued)

	2017	2016
	£000	£000
<i>Deferred tax</i>		
Originating and reversal of timing differences	(547)	(964)
Adjustments in respect of prior years	313	(160)
Effects of changes in tax rates	(135)	(1,029)
	<u>(369)</u>	<u>(2,153)</u>
 Total tax expense	 <u>3,632</u>	 <u>177</u>

Factors affecting the total tax charge:

The tax assessed for the period is different from the standard rate of corporation tax in the UK of 20% (2016: 20%). The differences are explained below:

	2017	2016
	£000	£000
Loss on ordinary activities before tax	(7,876)	(7,005)
Loss on ordinary activities before tax multiplied by the tax rate above	(1,575)	(1,401)
Expenses not deductible for tax purposes	3,168	1,843
Movements in unrecognised deferred tax	1,013	282
Tax rate changes	(135)	(1,039)
Adjustments in respect of prior years	234	(31)
State taxes net of federal benefit	13	(21)
Foreign tax rate differences	841	504
Non-taxable income	-	(22)
Group relief not paid for	-	16
Cantonal tax	17	21
Other	-	25
Branch taxes	56	-
Total tax charge for the period	<u>3,632</u>	<u>177</u>

Deferred tax

Group

The deferred tax included in the balance sheet is as follows:

	£000	£000
Included in debtors (note 14)	5,532	6,547
Included in provisions for liabilities (note 19)	(12,781)	(12,842)
	<u>(7,249)</u>	<u>(6,295)</u>

Notes to the financial statements

At 31 March

Tax (continued)

Payable/ Recoverable within 12 months	1,077	(1,074)
Payable/ Recoverable after 12 months	(8,326)	(5,221)
	<u>(7,249)</u>	<u>(6,295)</u>

Recognised deferred tax:

	£000	£000
Decelerated capital allowances	2,844	3,154
Short term timing differences	774	1,554
Losses	1,236	1,393
Intangible assets	(12,103)	(12,396)
	<u>(7,249)</u>	<u>(6,295)</u>

At 31 March 2017 there are additional unrecognised deferred tax assets of £3,466,749 (2016: £1,931,000) relating to losses.

10. Intangible fixed assets

Group	Goodwill £000	Customer contracts £000	Other £000	Total £000
Cost				
At 1 April 2016	103,577	70,810	2,943	177,330
Acquisition of subsidiary undertakings	12,084	5,317	-	17,401
Additions during the year	-	-	2,056	2,056
Exchange differences	7,583	1,441	273	9,297
At 31 March 2017	<u>123,244</u>	<u>77,568</u>	<u>5,272</u>	<u>206,084</u>
Amortisation				
At 1 April 2016	10,106	7,281	470	17,857
Charged in the year	11,757	6,645	954	19,356
Exchange differences	796	226	51	1,073
At 31 March 2017	<u>22,659</u>	<u>14,152</u>	<u>1,475</u>	<u>38,286</u>
Net book value at 31 March 2017	<u>100,585</u>	<u>63,416</u>	<u>3,797</u>	<u>167,798</u>
Net book value at 31 March 2016	<u>93,471</u>	<u>63,529</u>	<u>2,473</u>	<u>159,473</u>

¹ - Includes £300k increase to goodwill as a result of finalisation of the Higea PPA in the year.

Notes to the financial statements

At 31 March

Intangible fixed assets (continued)

<i>Company</i>	Other
	£000
Cost	
At 1 April 2016	210
Additions in the year	1,082
At 31 March 2017	1,292
Depreciation	
At 1 April 2016	20
At 31 March 2017	221
Net book value at 31 March 2017	1,071
Net book value at 31 March 2016	190

11. Tangible fixed assets

<i>Group</i>	Medical equipment £000	Land and Buildings £000	Own use £000	Total £000
Cost				
At 1 April 2016	18,939	2,530	12,291	33,760
Acquired of subsidiaries undertakings	-	-	965	965
Additions in the year	3,171	294	3,907	7,372
Disposals	(1,451)	-	(635)	(2,086)
Exchange differences	-	81	1,471	1,552
At 31 March 2017	20,659	2,905	17,999	41,563
Depreciation				
At 1 April 2016	3,868	67	275	4,210
Depreciation charged in the year	3,802	161	4,349	8,312
Impairment	-	-	169	169
Disposals	(1,451)	-	(267)	(1,718)
Exchange differences	-	6	124	130
At 31 March 2017	6,219	234	4,650	11,103
Net book value at 31 March 2017	14,440	2,671	13,349	30,460
Net book value at 31 March 2016	15,071	2,463	12,016	29,550

Notes to the financial statements

At 31 March

Tangible fixed assets (continued)

Included in the above are assets held under finance leases:

<i>Group</i>	Own use £000
Cost	
At 1 April 2016	5,013
Additions in the year	109
At 31 March 2017	<u>5,122</u>
Depreciation	
At 1 April 2016	1,822
Charged in the year	1,183
At 31 March 2017	<u>3,005</u>
Net book value at 31 March 2017	<u>2,117</u>
Net book value at 31 March 2016	<u>3,191</u>
<i>Company</i>	Other £000
Cost	
At 1 April 2016	1,523
Additions in the year	294
At 31 March 2017	<u>1,817</u>
At 1 April 2016	9
Depreciation	120
At 31 March 2017	<u>129</u>
Net book value at 31 March 2017	<u>1,688</u>
Net book value at 31 March 2016	<u>1,514</u>

12. Investments

<i>Company</i>	Subsidiary undertakings £000
Cost:	
At 1 April 2016	180,992
Changes in the year	(69,471)
At 31 March 2017	<u>111,521</u>

Notes to the financial statements

At 31 March

Investments (continued)

Movements in investments are related to the share capital reduction of Asterol Holdings Limited partially offset by transfer of the shares in Sigil SAS, Mesa Group Holdings GMBH and Higea, each from Asterol Holdings Limited to Pantheon Holdco Limited.

Pantheon Holdco Limited has the following subsidiary undertakings, which are wholly owned (100% ordinary share capital) unless otherwise stated:

Company	Country of incorporation	Activity
Asterol Holdings Limited ⁽¹⁾	England and Wales	Holding company
Asterol Limited ⁽¹⁾	England and Wales	Managed equipment services
Asterol Holdings (Coop Mes) Ltd ⁽¹⁾	England and Wales	Managed equipment services
Asterol (Leicester 2) Limited ⁽¹⁾	England and Wales	Managed equipment services
Asterol (MMS) Limited ⁽¹⁾	England and Wales	Managed equipment services
Asterol (MES) Limited ⁽¹⁾	England and Wales	Managed equipment services
Assetco Healthcare (Whittington) Limited ⁽¹⁾	England and Wales	Managed equipment services
Asterol Services Limited ⁽¹⁾	England and Wales	Managed equipment services
MESA Group (UK) Limited ⁽¹⁾	England and Wales	Managed equipment services
Asterol (Managed Healthcare) Limited ⁽¹⁾	England and Wales	Managed equipment services
MESA Group Holdings GmbH ⁽²⁾	Switzerland	Holding company
Medical Equipment Solutions & Application Sagl ⁽²⁾	Switzerland	Managed equipment services
Pantheon Healthcare Group GmbH ⁽²⁾	Switzerland	Provision of administration services for the Group
MESA Medical Equipment Solutions LLC ⁽³⁾	United States	Managed equipment services
MESA Italia S.r.l. ⁽⁴⁾	Italy	Managed equipment services
MVS Sp. Zoo ⁽⁵⁾	Poland	Managed equipment services
Spintech ileri teknoloji medical sistemler sanayi ve ticaret anonym sirketi ⁽⁶⁾	Turkey	Managed equipment services
Ed Sloan & Associates Inc. ⁽⁷⁾	United States	Managed equipment services
Sigil S.A.S. ⁽⁸⁾	France	Managed equipment services
Higea S.p.A. ⁽⁹⁾	Italy	Managed equipment services
Tecnologia Moderna Sarda S.r.l. ⁽¹⁰⁾	Italy	Managed equipment services
Biomedicale S.r.l. (80% of ownership of ordinary share capital) ⁽¹¹⁾	Italy	Managed equipment services
Pantheon Healthcare Saudi Arabia LLC ⁽¹²⁾	Saudi Arabia	Managed equipment services

The registered address of the subsidiaries is as follows:

- (1) Unit 4 Theale Commercial Estate, Ely Road, Theale, Berkshire UK RG7 4BQ
- (2) Via Cantonale 19, 6900 Lugano, Switzerland
- (3) c/o the Corporation Service Company, 2711 Centerville Road, Ste. 400, City of Wilmington, County of New Castle, Delaware 19808
- (4) Via Papa Giovanni XXIII 43 Rodano
- (5) Ul. Bielska 49, 43-190 Mikolow (Poland)
- (6) Esentepe Mah. Anayurt Cad. Reyhanli Sok. No: 1/7 Kartal, Istanbul (Turkey)
- (7) 101 Old Stone Bridge Rd, Goodlettsville, TN 37072 (USA)
- (8) 13 C Rue Gilbert Caudéran, 33320 Eysines
- (9) Via di Torre Rossa, 66 - 00165 Roma

Notes to the financial statements

At 31 March

Investments (continued)

(10) Strada Provinciale Sassari-Ittiri, Località Trunccone, 07100 – Sassari, Italy

(11) Viale Doria Andrea 17, 20124 Milano

(12) P. O Box 27641, Riyadh zip; 11427 Global Tower – 3, 6th Floor, King Saud Road, Al Mather Al Wizarat Kingdom of Saudi Arabia

13. Stocks

<i>Group</i>	2017 £000	2016 £000
Raw materials and consumables	6,778	6,401
Finished goods and goods for resale	10,626	7,129
	<u>17,404</u>	<u>13,530</u>

14. Debtors

<i>Group</i>	2017 £000	2016 £000
Trade debtors	34,237	38,712
Loan receivable	1,408	1,369
Other financial asset	4,866	-
Prepayments and accrued income	18,610	15,445
Other debtors	10,115	4,720
Finance lease receivables	98	253
Corporation tax receivable	47	582
Deferred tax asset	5,532	6,547
	<u>74,913</u>	<u>67,628</u>

Included in the above are amounts falling due after more than one year as follows:

	2017 £000	2016 £000
Prepayments and accrued income	1,809	1,409
Loan receivable	1,294	1,255
Finance lease receivables	-	98
Other Financial asset	2,183	-
	<u>5,286</u>	<u>2,762</u>

<i>Company</i>	2017 £000	2016 £000
Amounts due from group undertakings	125,411	48,934
Prepayments	193	3
	<u>125,604</u>	<u>48,937</u>

Notes to the financial statements

At 31 March

Debtors (continued)

Included in the above are amounts falling due after more than one year as follows:

	2017 £000	2016 £000
Amounts due from group undertakings	101,674	-
	<u>101,674</u>	<u>-</u>

15. Creditors: amounts falling due within one year

<i>Group</i>	2017 £000	2016 £000
Bank loans falling due within one year, including overdrafts	6,260	8,322
Amount owed to parent company	-	30,879
Finance lease obligations	851	1,008
Trade creditors	39,718	20,676
Other creditors	7,112	10,482
Contingent and deferred consideration	419	537
Accruals and deferred income	14,076	20,345
Current tax payable	743	1,203
	<u>69,179</u>	<u>93,452</u>
 <i>Company</i>	 2017 £000	 2016 £000
Bank loans falling due within one year	-	-
Amount owed to parent company	-	30,879
Trade creditors	601	274
Trade creditors: due to group undertakings	15,987	10,048
Other creditors	42	47
Accruals	2,235	2,244
	<u>18,865</u>	<u>43,492</u>

On the 21 September 2015, the company received a fixed rate subordinated unsecured loan of €38,899,498 from its immediate parent company, Pantheon Midco2 Ltd, in order to finance a loan to a subsidiary undertaking. The initial expiry date of the loan was 21 April 2016 or such later date as extended at the discretion of the company. On 27 June 2016, the loan and interest due were fully settled by the company by the issue of 3,247,687,500 shares of £0.01 to Pantheon Midco2 Ltd.

Notes to the financial statements

At 31 March

16. Creditors: amounts falling due after more than one year

<i>Group</i>	2017 £000	2016 £000
Bank loans falling due after one year	112,161	105,283
Finance lease obligations	1,559	2,047
Accruals and deferred income	668	861
	<u>114,388</u>	<u>108,191</u>
 <i>Company</i>	 2017 £000	 2016 £000
Bank loans falling due after one year	<u>112,161</u>	<u>105,283</u>

17. Loans

Loans repayable, included within creditors, are analysed as follows:

	2017 Group £000	2017 Company £000	2016 Group £000	2016 Company £000
Wholly repayable within five years	-	-	-	30,879
Not wholly repayable within five years	112,161	112,161	105,283	105,283
	<u>112,161</u>	<u>112,161</u>	<u>105,283</u>	<u>136,162</u>

Details of loans not wholly repayable within five years are as follows:

<i>Group and Company</i>	2017 £000	2016 £000
Term B1 facility	68,442	63,324
Term B2 facility	45,000	45,000
Revolving credit facility	1,283	-
	<u>114,725</u>	<u>108,324</u>
Less: issue costs	(2,564)	(3,041)
	<u>112,161</u>	<u>105,283</u>

The Term B1 loan is euro denominated repayable on 21 September 2022 with an interest rate of 4.25% above EURIBOR. The Term B2 loan is sterling denominated repayable on 21 September 2022 with an interest rate of 4.75% above LIBOR.

Finance costs paid under the financing arrangement are amortised over the term of the loan.

Notes to the financial statements

At 31 March

18. Obligations under leases and hire purchase contracts

Group

Finance leases

	2017	2016
	£000	£000
Amounts payable within one year	852	1,008
Amounts payable in two to five years	1,559	2,047
	2,411	3,055
Less: finance charges allocated to future periods	-	-
	<u>2,411</u>	<u>3,055</u>

Group

Operating leases

	2017	2016
	£000	£000
Within one year	652	739
After one year	2,134	2,186
After five years	2,966	3,048
Total	<u>5,752</u>	<u>5,973</u>

19. Provisions

	Deferred tax	Employee termination indemnities	Legal proceeding	Other
	£000	£000	£000	£000
Cost				
At 1 April 2016	12,842	-	-	-
Acquisition of subsidiary undertaking	1,297	-	-	-
Additions during the year	-	1,655	963	482
Utilised during the year	(1,331)	-	-	-
Tax rate changes	(337)	-	-	-
Exchange adjustment	310	-	-	-
At 31 March 2017	<u>12,781</u>	<u>1,655</u>	<u>963</u>	<u>482</u>

Deferred tax liabilities arise on acquisition of investments and will be utilised over the amortization period of the related intangible assets.

Employee termination indemnities due upon termination of employment are regulated by Art. 2120 of the Italian Civil Code and represent the obligation due to employees of Italian companies at the moment of termination of their employment. The indemnity, to be paid in capital lump sum, is calculated on the basis of the salary paid and revalued annually up until termination of employment.

The provision for litigation relates to litigation with Italian customers.

Notes to the financial statements

At 31 March

20. Issued share capital

Group and Company

Allotted, called up and fully paid

	No.	2017 £000	2016 £000
Ordinary shares of £0.01 each	13,237,624,829	132,376	99,899

On the 27 June 2016, 3,247,687,500 £0.01 ordinary shares were issued to the immediate parent company, Pantheon Midco2 Ltd, in settlement of a loan payable.

21. Acquisitions during the period

On 15 July 2016, our subsidiary Higea purchased 100% of the Biomedical Division from Iteon for a consideration of €1. The investment has been included in the company's balance sheet at its fair value at date of acquisition and is provisional at the period end.

	Book value £000	Revaluation adjustments £000	Fair value to group £000
Tangible assets	40	-	40
Stocks	67	-	67
Trade and other debtors	802	-	802
Cash and cash equivalents	7	-	7
Bank loans and overdrafts	(570)	-	(570)
Trade and other creditors	(1,389)	-	(1,389)
Provisions	(141)	-	(141)
Net (Liabilities)	(1,184)	-	(1,184)
Goodwill arising on acquisition			1,184

Discharged by:

Cash consideration

Notes to the financial statements

At 31 March

Acquisitions during the period (continued)

On 29 July 2016 Higea acquired 80% of the share capital of Biomedicale S.r.l. for a price of £5.9m (corresponding to an enterprise value of €15m for 100%) satisfied by cash. The investment has been included in the company's balance sheet at its fair value at date of acquisition and is provisional at the period end.

	Book value (at 80%) £000	Revaluation adjustments £000	Fair value to group £000
Intangible assets: customer contracts (a)	-	5,317	5,317
Intangible assets: other	12	-	12
Tangible assets	884	-	884
Trade and other debtors	5,251	-	5,251
Trade and other creditors	(11,871)	-	(11,871)
Provisions	(1,235)	-	(1,235)
Deferred tax liabilities (b)	-	(1,297)	(1,297)
Net (Liabilities)	(6,958)	4,020	(2,939)
Goodwill arising on acquisition			10,600
Non-Controlling Interest			(1,269)
			<u>6,392</u>

Discharged by:

Cash consideration	5,855
Transaction Acquisition Costs	537
	<u>6,392</u>

- (a) On acquisition, customer contracts with a fair value of £5.3m were identified
- (b) Deferred tax provision recognised on opening intangible assets relating to customer contracts



Notes to the financial statements

At 31 March

22. Notes to the statement of cash flows

Reconciliation of operating loss to net cash inflow from operating activities

	2017	2016
	£000	£000
Group loss for the year before tax	(7,876)	(7,005)
<i>Adjustments to reconcile loss for the period to net cash flow from operating activities</i>		
Depreciation and impairment of tangible fixed assets	8,481	6,688
Amortization of intangible assets	7,600	4,747
Amortization of goodwill	11,757	6,985
Net finance costs	7,468	6,556
Decrease in debtors	1,568	4,102
(Increase) in stocks	(2,752)	(4,120)
(Decrease)/ increase in creditors	(5,173)	4,827
Taxation		
Corporation tax paid	-	(454)
Overseas tax paid	(3,743)	(2,855)
	<u>25,206</u>	<u>26,477</u>
Net Cash inflow from operating activities	<u>17,330</u>	<u>19,471</u>

23. Events since the balance sheet date

On 12 May 2017, Double 2 S.p.A. ("Double"), a vehicle established by PantheLux TopCo S.a.r.l., ultimate parent of the Company, announced the intention to promote a voluntary Public Tender Offer ("PTO") for the entire share capital of ITAL Telematic and Biomedical Services S.p.A. ("TBS", or the "Target") at a price of EUR 2.2 per share with the aim of delisting the Target (the "P2P").

At a 29% premium to the weighted LTM (last twelve months) average share price, the PTO values TBS equity at ~EUR 91m (with maximum cash-out of EUR 93m should treasury shares be tendered as well). The offer will only be effective if Double reaches ownership of at least a 50% plus one share in TBS share capital; closing is expected in July 2017.

PantheLux TopCo's intention is to combine TBS with the Group.

24. Capital commitments

Capital expenditure contracted for but not provided in the financial statements amounted to £1.0m (2016: £nil).

25. Related party transactions

Key management personnel

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel. Total remuneration in respect of these individuals is £1.5m (2016: £2.7m).

In the period there were no other related party transactions.

Notes to the financial statements

At 31 March

26. Financial Instruments

	2017 Group £000	2016 Group £000	2017 Company £000	2016 Company £000
<i>Financial Assets that are debt instruments measured at amortized cost</i>				
Loan receivable	1,408	1,369	-	-
Finance leases	98	253	-	-
Other financial asset	4,866	-	-	-
<i>Financial Liabilities measured at amortised cost</i>				
Bank loans	112,161	105,283	112,161	105,283
Loan to parent company	-	30,879	-	30,879
Finance Leases	2,411	3,055	-	-

Hedge of net investments in foreign operations

Included in loans at 31 March 2017 was a borrowing of EUR 80m which has been designated as a hedge of the net investments in the subsidiary in Italy, Higea. This borrowing is being used to hedge the Group's exposure to the EUR foreign exchange risk on this investment. Gains or losses on the translation of this borrowing are transferred to other comprehensive income to offset any gains or losses on translation of the net investment in the subsidiaries. For the year ended 31 March 2017, a loss of £5.1m has been reclassified to other comprehensive income (2016: £4.8m).

This effect has been partially offset by the transfer of a gain of £4.7m arising on inter-group permanent funding to other comprehensive income (2016: £4.5m).

27. Ultimate parent company

The ultimate parent company is Permira V G,P, Limited, incorporated in Guernsey. The immediate parent company is Pantheon Midco2 Limited, a limited company registered in the UK. The company results have been consolidated in the results of Pantheon Topco Limited. Copies of the group financial statements can be obtained from:

Unit 4, Theale Commercial Estate
Ely Road
Theale
Berkshire
RG7 4BQ