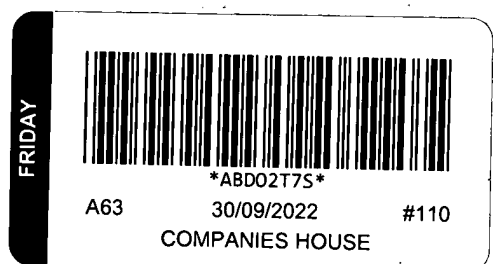


Medequip Group Limited

Strategic Report, Directors' Report and Financial Statements

Registered number 09553385

For the year ended 31 December 2021



Contents

Strategic Report	1
Directors' Report	2
Statement of directors' responsibilities in respect of the Directors' Report and the Financial Statements	3
Profit and Loss Account and Other Comprehensive Income	4
Balance Sheet	5
Statement of Changes in Equity	6
Notes	7

Strategic Report

Principal activities

In the year ended 31 December 2021 Medequip Group Limited (the "Company") did not trade. It received income in the form of a single dividend payment from its associate undertaking Creative Software Solutions (Europe) Ltd. In the prior year the Company also did not trade, and similarly received a single dividend payment from the same associate undertaking.

Business review and results

In the current year the Company made a profit of £60,000 as a consequence of receiving dividend income from its associate undertaking, consistent with the prior year.

Key performance indicators

The Company did not use key performance indicators in the current year or the prior period.

Principal risks and uncertainties

At the balance sheet date the Company was an obligor under a committed loan facility made available to Medequip Holdings Limited ("MHL"), its ultimate parent company at that date, and the remaining subsidiary companies of MHL. The risks and uncertainties associated with this loan facility are disclosed in the consolidated MHL Group accounts.

Future developments

The Company does not currently anticipate that it will trade in the future.

Signed on behalf of the Board



M F Greenwood
Director

19 May 2022

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

Directors' Report

The directors present their Directors' Report and Financial Statements for the year ended 31 December 2021.

Dividends

The directors do not recommend the payment of a dividend (2020: £nil).

Directors

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

A J Siddall (resigned 22 February 2022)
D S Griffiths
J C Siddall (resigned 22 February 2022)
A P Firth
C P Siddall (resigned 22 February 2022)
J P Cockcroft
N S P Cook
J Ibbotson
M West
M F Greenwood

Political contributions

The Company made £nil political donations during the year and incurred no political expenditure (2020: £nil).

Other information

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

By order of the Board



M F Greenwood
Director

19 May 2022

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

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

The directors are responsible for preparing the Strategic Report, 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 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these Financial Statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Profit and Loss Account and Other Comprehensive Income for the year ended 31 December 2021

	Note	2021 £000	2020 £000
Turnover		-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	-
Dividend income from associate	2	60	62
		<hr/>	<hr/>
Profit before interest and taxation		60	62
Interest payable and similar charges	3	-	-
		<hr/>	<hr/>
Profit before taxation		60	62
Tax	4	-	-
		<hr/>	<hr/>
Profit for the year		<u>60</u>	<u>62</u>

The Company has no recognised gains or losses other than the profits for the current year or previous year.

The notes on page 7 to 13 form part of these Financial Statements.

Balance Sheet
at 31 December 2021


	Note	2021 £000	2020 £000
Fixed assets			
Investments	5	50,787	50,787
Current assets			
Debtors	6	333	333
Creditors: amounts falling due within one year	7	(19,827)	(19,887)
Net current liabilities		(19,494)	(19,554)
Total assets less current liabilities		31,293	31,233
Creditors: amounts falling due after more than one year		-	-
Net assets		31,293	31,233
Capital and reserves			
Ordinary share capital	9	375	375
Preferred ordinary share capital	9	32,221	32,221
Profit and loss account		(1,303)	(1,363)
Shareholders' funds		31,293	31,233

The notes on page 7 to 13 form part of these Financial Statements.

The directors:

- a) confirm that the Company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies from the requirement to have its Financial Statements for the financial year ended 31 December 2021 audited;
- b) confirm that members have not required the Company to obtain an audit of its Financial Statements for that financial year in accordance with section 476 of the Companies Act 2006 and;
- c) acknowledge their responsibilities for:
 - i) ensuring that the Company keeps adequate accounting records which comply with section 386 of the Companies Act 2006 and;
 - ii) preparing Financial Statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its surplus or deficit for the financial year in accordance with the requirements of sections 393 and 394 of the Companies Act 2006, and which otherwise comply with the requirements of that Act relating to Financial Statements, so far as applicable to the Company;
- d) confirm that the Financial Statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

These Financial Statements were approved by the board on 19 May 2022 and were signed on its behalf by:


M F Greenwood - Director
Registered number 09553385

Statement of Changes in Equity

	Called up share capital £000	Share premium £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2020	375	32,221	(1,425)	31,171
Total comprehensive income for the year				
Profit	-	-	62	62
Total comprehensive income for the year	-	-	62	62
Balance at 31 December 2020	375	32,221	(1,363)	31,233
Total comprehensive income for the year				
Profit	-	-	60	60
Total comprehensive income for the year	-	-	60	60
Balance at 31 December 2021	375	32,221	(1,303)	31,293

The notes on page 7 to 13 form part of these Financial Statements.

Notes

(forming part of the Financial Statements)

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Financial Statements, unless noted otherwise below.

Basis of preparation

These Financial Statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2016 and effective immediately have been applied. The presentation currency of these Financial Statements is sterling. All amounts in the Financial Statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking at the balance sheet date, Medequip Holdings Limited, includes the Company in its consolidated Financial Statements for the period under review. The consolidated Financial Statements of Medequip Holdings Limited are prepared in accordance with FRS 102, are available to the public, and may be obtained from Companies House, Crown Way, Cardiff CF14 3UZ. In these Financial Statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated Financial Statements of Medequip Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The Financial Statements present information about the Company as an individual undertaking and not about its group. The Company has not prepared group Financial Statements as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Medequip Holdings Limited ("MHL"), incorporated in England and Wales, and is included in the consolidated Financial Statements of that company.

Going concern

Notwithstanding net current liabilities of £19,494,000 as at 31 December 2021, the Financial Statements have been prepared on a going concern basis. At the balance sheet date the Company had access to a £25,000,000 revolving credit facility which is available to MHL Group companies, which would enable the Company to meet its liabilities as they fall due. The facility was repaid and cancelled on 22 February 2022, as part of a transaction in which the entire share capital of MHL was purchased by Medux UK Holdco Limited, a company incorporated in England. Medux UK Holdco Limited is an obligor under the committed facilities put in place to finance an element of the purchase consideration, and as such has access to funding via a revolving credit facility of Euro 25m, the purpose of which is to fund the working capital requirements of Medux UK Holdco Limited and certain of its associated companies.

In the year ended 31 December 2021, the MHL Group generated net cash flows from operating activities of £7,869,000 which it primarily used to repay bank borrowings. At 31 December 2021 the MHL Group had utilised £3,570,000 on its available facility and had available headroom of £21,430,000. The MHL Group has continued to trade through the COVID 19 lock down periods and as set out above has substantial funding headroom available. The directors of MHL have prepared a base case cash flow forecast which they have then sensitised to take account of severe but plausible scenarios for the impact of COVID 19 on revenues and costs. These forecasts cover the period to December 2024, form part of the base case for the committed financing facility above, and provide evidence of the Company and Group's ability to operate to that date, being in excess of 12 months from the date of approval of the Financial Statements.

Going concern (continued)

The Company does not expect its fellow subsidiary company Medequip Assistive Technology Limited ("MATL") to seek repayment of the amounts currently due, which at 31 December 2021 amounted to £19,827,000 (2020: £19,887,000). MATL has indicated that it does not intend to seek repayment of these amounts for the period of at least twelve months from the date of approval of these Financial Statements. 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 MATL will not do so. Consequently, the directors are confident 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 these Financial Statements, which are therefore prepared on a going concern basis.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 102.

Notes (continued)

2 Dividend income from associate

Included in profit are the following:

	2021 £000	2020 £000
Dividend income from associate undertaking (note 5)	60	62

3 Interest payable and similar charges

	2021 £000	2020 £000
On bank loans and overdrafts	-	-

4 Taxation

Total tax expense recognised in the profit and loss account

	2021 £000	2020 £000	2021 £000	2020 £000
<i>Current tax</i>				
Current tax on income for the year	-	-	-	-
Adjustments in respect of prior years	-	-	-	-
Total current tax	-	-	-	-
<i>Deferred tax</i>				
Origination and reversal of timing differences	-	-	-	-
Effect of tax rate change on opening balance	-	-	-	-
Adjustments in respect of prior years	-	-	-	-
Total deferred tax	-	-	-	-
Total tax	-	-	-	-

Notes (continued)

4 Taxation (continued)

Reconciliation of effective tax rate

	2021 £000	2020 £000
Profit for the year	60	62
Total tax expense	-	-
	<hr/>	<hr/>
Profit excluding taxation	60	62
Tax using the UK corporation tax rate of 19.00% (2020: 19.00%)	11	12
Exempt income	(11)	(12)
Non-deductible expenses	-	-
	<hr/>	<hr/>
Total tax expense included in profit or loss	-	-
	<hr/> <hr/>	<hr/> <hr/>

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

5 Fixed asset investments

	Associate undertakings £000	Subsidiary undertakings £000	Total £000
Cost			
At the beginning of the year	872	49,915	50,787
Additions	-	-	-
	<hr/>	<hr/>	<hr/>
At the end of the year	872	49,915	50,787
	<hr/>	<hr/>	<hr/>
Provisions			
At the beginning and end of the year	-	-	-
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2021	872	49,915	50,787
	<hr/>	<hr/>	<hr/>
At 31 December 2020	872	49,915	50,787
	<hr/>	<hr/>	<hr/>

Notes (continued)

5 Fixed asset investments (continued)

The Company has the following investments in subsidiaries:

Subsidiary undertakings	Registered office address	Class of shares held	Ownership 2021 %	Ownership 2020 %
Siddall Medequip Limited	Summit Centre, Skyport Drive, Harmondsworth, UB7 0LJ	Ordinary	100	100
Siddall Group Limited	Summit Centre, Skyport Drive, Harmondsworth, UB7 0LJ	Ordinary	100	100
Medequip Assistive Technology Limited	Summit Centre, Skyport Drive, Harmondsworth, UB7 0LJ	Ordinary	100	100
Manage at Home Limited	Summit Centre, Skyport Drive, Harmondsworth, UB7 0LJ	Ordinary	100	100

Subsidiary undertakings	Principal activity
Siddall Medequip Limited	Dormant
Siddall Group Limited	Dormant
Medequip Assistive Technology Limited	Healthcare services
Manage at Home Limited	Dormant

The Company has the following investments in associates:

Associate undertaking	Registered office address	Class of shares held	Ownership 2021 %	Ownership 2020 %
Cr�ative Software Solutions (Europe) Ltd	Unit 3 Parkside Court, Greenhough Road, Lichfield, WS13 7AU	Ordinary	20	20

6 Debtors

	2021 £000	2020 £000
Amounts owed by group companies	333	333

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

Notes (continued)

7 Creditors: amounts falling due within one year

	2021 £000	2020 £000
Amounts owed to group companies	19,827	19,887

Amounts owed to group companies and related undertakings are interest-free and repayable on demand. The current intention of the group directors is to maintain the loans in their current form for at least 12 months from the balance sheet date, however in the absence of a signed agreement, classifying the balances as current is appropriate.

8 Interest-bearing loans and borrowings

At the balance sheet date, the Company was an obligor to a revolving credit facility; the Company made no drawings under this facility during the year or the prior year. The facility interest rate was based on LIBOR plus a margin, which varied between 1.20% and 1.95%. The facility was a £25,000,000 revolving loan facility that was available until 31st July 2023, and which was available to Medequip Holdings Limited (the ultimate parent company) and its subsidiaries, which includes the Company, for working capital and general corporate purposes. The facility was repaid and cancelled on 22 February 2022, as part of a transaction in which the entire share capital of MHL was purchased by Medux UK Holdco Limited, a company incorporated in England. Medux UK Holdco Limited is an obligor under the committed facilities put in place to finance an element of the purchase consideration, and as such has access to funding via a revolving credit facility of Euro 25m, the purpose of which is to fund the working capital requirements of Medux UK Holdco Limited and certain of its associated companies.

9 Capital and reserves

Share capital

	2021 £000	2020 £000
<i>Allotted, called up and fully paid</i>		
150,000 A ordinary shares at £1 each – allotted, called up and fully paid	150	150
225,000 B ordinary shares at £1 each – allotted, called up and fully paid	225	225
	<u>375</u>	<u>375</u>
32,221,000 preferred ordinary shares of £0.00001 each	-	-
32,221,000 preferred ordinary share premium at £0.99999 each	32,221	32,221
	<u>32,221</u>	<u>32,221</u>
Shares classified in shareholders' funds	<u>32,596</u>	<u>32,596</u>

All shares in the share capital of the Company in issue, rank pari-passu.

Notes (continued)

10 Contingent liabilities

At the balance sheet date, the Company was part of a Group banking facility and as such had guaranteed payment to the bank, on demand, of all present, future, actual or contingent liabilities of the parent and subsidiary undertakings within the Medequip Holdings Limited Group of companies. The net amount outstanding at 31 December 2021 of the Medequip Holdings Limited Group of companies was £3,570,000 (2020: £8,539,000). The facility was repaid and cancelled on 22 February 2022, as part of a transaction in which the entire share capital of MHL was purchased by Medux UK Holdco Limited, a company incorporated in England. On 22 April 2022 the Company acceded as an obligor to the committed facilities agreement put in place to finance an element of the purchase consideration. The enlarged Group will utilise the new committed facilities to make funding available as required.

11 Ultimate parent company

The immediate parent company at the balance sheet date was Medequip Holdings Limited, whose registered address is Unit 2 Summit Centre, Skyport Drive, West Drayton, Middlesex UB7 0LJ. Medequip Holdings Limited is the parent company of both the smallest and largest group of which the Company is a member and for which group Financial Statements are prepared at the balance sheet date. The Company is registered in England and Wales and its registered address is Unit 2 Summit Centre, Skyport Drive, West Drayton, Middlesex, UB7 0LJ. The accounts of the Company and its parent are available to the public and may be obtained from the Register of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ. No other group accounts include the results of the Company for the period under review.

As from 22nd February 2022, as a consequence of the sale of the entire share capital of Medequip Holdings Limited, the ultimate parent company is SHV Holdings N.V., registered at Rijnkade 1, 3511 LC Utrecht, PO Box 2065, 3500GB Utrecht, The Netherlands.