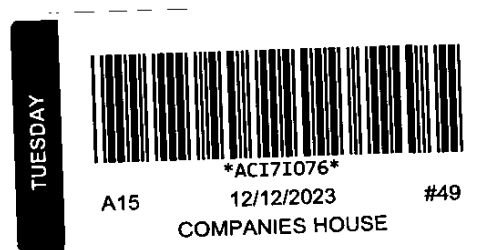


Registered number: 13405885

ANODE HOLDCO LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**



ANODE HOLDCO LIMITED

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ANODE HOLDCO LIMITED

COMPANY INFORMATION

Directors

A L Jeffery
I S Venter (resigned 10 October 2023)
D Patel (appointed 10 October 2023)

Company secretary

Apex Group Secretaries (UK) Limited

Registered number

13405885

Registered office

6th Floor
125 London Wall
London
EC2Y 5AS

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Kingsway
Cardiff
CF10 3PW

ANODE HOLDCO LIMITED

GROUP STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present the Strategic Report of Anode Holdco Limited and its subsidiaries (the "Group") for the year ended 31 March 2023.

Business overview

The Group manufactures and sells a range of medical devices that contribute greatly to the safety and well-being of their users. The Group designs and manufactures the majority of its own products on site in South Wales with revenue derived from the onward sale of products directly to healthcare providers in the UK, US and Germany and indirectly in additional overseas territories via a range of distributors. Customers are mix of public and private sector organisations, enterprises and Direct to Consumer (D2C).

The primary Skin & Wound Care division comprises the following key brands:

- Repose® - A range of reactive-air pressure redistribution devices (e.g. mattress overlays, cushions, foot protectors) for both the treatment and prevention of pressure ulcers;
- Toto® - A unique, patented, automated patient turning system used for patient repositioning as part of a pressure area care programme; and
- DermisPlus® - an expanding range of pressure area care pads, dressings and associated products for use in wound care settings.

Business review

The Group's ambition is to build on the history and heritage of its brands and continue to provide high quality products and services to healthcare providers in the UK and overseas.

Key developments in the year ended 31 March 2023 included:

- The Group recruited a new Chief Executive Officer in April 2022. We have invested further in staff throughout the year to support our growth ambitions – with headcount increasing by over 20%. Investment has been in strategic growth areas that include, but not limited to, domestic UK sales and marketing teams, international sales, research & development and manufacturing operations.
- We have launched several new products in the year and continue to invest in new product development. We will be opening a new Innovation Hub facility in the next financial year.
- We have made significant progress with our Environmental, Social and Corporate Governance agenda. Our progress has recently been externally assessed and we are considered a leading business in our activities and how we have embedded an ESG culture across the business.
- On-time in full delivery performance has consistently exceeded 95% in the year despite the widely reported, significant disruption to global supply chains in the year and increasing inflation. With the risk mitigation plans we have in place, and continue to develop, we were able to deliver continuous supply of product throughout the year to safeguard patient safety and comfort.
- We were recently awarded Investors in People Silver Award (first time assessment) which evidences the significant progress we have made on the social agenda in recent months and years.
- Ongoing compliance with, and accreditation to, key international standards ISO 9001:2015 (Quality Management Systems), ISO 13485:2016 (specific for medical device manufacturers), ISO 14001:2015 (Environmental) and ISO 45001:2018 (Health & Safety).

ANODE HOLDCO LIMITED

GROUP STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2023

Business review (continued)

A summary of the Group's financial performance is included in the table below.

	Year ended 31 March 2023 £000	10 month period ended 31 March 2022 £000
Revenue	16,797	12,518
Operating loss	(1,705)	(3,815)
Loss after tax	(9,852)	(9,791)
Net cash flow	(1,720)	5,111

Financial Key Performance Indicators

The Group's success is measured using a range of financial and non-financial key performance indicators ('KPIs') that are closely monitored by the directors.

The financial KPIs include all of those included in the table above, comparing performance against both prior year and the Group's annual budget.

The primary non-financial KPI relates to customer orders satisfied on time and in full ("OTIF") which again consistently exceeded 95%.

Strategic objectives

The Group's key strategic objectives are to increase the provision of medical devices to healthcare providers to further reduce the risk of serious injury and harm to the general public. This ambition extends across both divisions in both the UK and overseas markets. As part of this the Group expects to perform strongly against its KPIs.

Future developments

The Group plans to continue its investment in people and infrastructure to help facilitate growth in both the UK and internationally through its direct sales team (in the UK) and network of international, territory-specific distributors. We are also investing in research & development activities as we look to expand our product portfolio to help patients further.

ANODE HOLDCO LIMITED

GROUP STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2023

Environmental, social and governance policy

Having robust and transparent Environmental, Social and Governance (ESG) policies is a core part of our values. The significant progress we have made in this regard, and the extent to which we have established and embedded such practices across the Frontier Group, has been recognised in the year, and we are now considered a leading business on ESG having made excellent progress in embedding within our culture. We have further plans in place for next year that will build on this achievement and continue to invest in our people and communities, reduce our impact on the environment and build a long-term sustainable business.

Environment

Activity to reduce our environmental impact is focused on environmental management, energy reduction, minimisation of waste, diversion of waste from landfill and water conservation. The Group operates an Environmental Management System which complies with the requirements of ISO 14001:2015.

Health & Safety

The safety and well-being of our staff and all visitors to our facilities remains a priority for everyone within the business. We continue to focus on all aspects of health and safety, with a special emphasis on those areas with the potential to cause serious harm. This includes not just process safety management but also all aspects of associated maintenance tasks. The Group operates an Occupational Health & Safety Management System which complies with the requirements of ISO 45001:2018.

The Group continues to focus on the prevention of accidents and incidents through the proactive reporting of potential hazards. Through our dedicated health and safety team and integrated Health and Safety Management System, there is a clear and transparent mechanism for employees to raise potential hazards before they have the opportunity to cause an injury.

Employees

The Group remains focused on supporting and developing people through training, communications and two-way engagement channels. The Group also has an open, non-discriminatory employment policy that ensures that vacancies are filled by the most appropriate and best skilled person, regardless of gender, race, disability or ethnicity.

Ethical policy

We emphasise the importance of operating a business in both a responsible and ethical manner, and have set up appropriate standards and policies to uphold laws relevant to prevention of bribery and corruption in all the jurisdictions in which we operate. The Group has in place policies and procedures covering Whistleblowing and Anti-Bribery, the latter including policies in respect of gifts and hospitality.

The Group's ethical policy incorporates a Supplier Code of Conduct that has been communicated and rolled out to all suppliers via the purchasing team. All suppliers are expected to agree and adhere to the terms of this code.

Modern Slavery Act Statement

During the year the Group also re-issued its Modern Slavery Act Statement (the 'Statement'), which is available on our website. This Statement sets out the information required by the Modern Slavery Act 2015 and explains our approach to preventing acts of slavery and human trafficking in both our labour practices and supply chain. Frontier is wholly committed to respecting human rights across our own operations, supply chains, and products and we expect our business partners to support this Statement and act in accordance with it.

ANODE HOLDCO LIMITED

GROUP STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2023

Principal risks and uncertainties

The principal risks and uncertainties that might affect the Group meeting its objectives are:

Market risk

The Group has a diversified product range across its divisions and is continually developing new and existing products to meet customer requirements. The Group also has a well-diversified customer portfolio. The growth opportunities for the business will further add customer/product diversification.

Quality risk

Frontier complies with high standards of quality throughout its business. Products are tested throughout the production processes and the Group adheres to all relevant regulation and legislation, including relevant British and International Standards.

Price risk

Where possible Frontier engages in customer contracts/arrangements to enable any sustained increases in raw material prices to be passed on and reflected in customer prices.

Covid-19 risk

Given the nature of the medical products that we supply, the Covid-19 outbreak and subsequent pandemic has not resulted in any concerns with regards the Group's cashflows nor its ability to continue operating as a going concern. Our Covid-19 policy is regularly updated in line with UK Government guidelines and this is communicated to staff on a regular basis. As part of this we have embedded controls throughout the business to safeguard, as best as practicably possible, the well-being and safety of our employees, customers and suppliers.

Going concern

The Group meets its day to day working capital requirements through its cash and bank facilities. The directors have a reasonable expectation that Frontier has adequate resources to continue in operational existence in the foreseeable future.

Interest rate risk

The Group's exposure to interest rate fluctuations on its borrowings is largely managed by an interest rate hedge, executed in August 2022.

Currency risk

The Group achieves a natural hedge with having currency revenues and currency costs. The business also regularly reviews foreign exchange rates and can forward buy/sell sterling or currency funds to further mitigate against foreseeable currency risk.

Credit risk

The directors set credit limits for customers based on a combination of payment history and third-party credit references. Trading with these limits and related terms is monitored on a regular basis.

ANODE HOLDCO LIMITED

GROUP STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2023

Section 172(1) statement

The Directors are required by the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote success of the Group for the benefit of its shareholders as a whole, and in doing so have regard to the following:

- a. ***The likely long-term consequences of any decision:*** The Board's vision and objectives are reviewed and renewed on an annual basis, taking into consideration the views from senior management. Both the longer-term strategies and shorter-term tactics required to deliver against these objectives are agreed with the Board and then cascaded down throughout the business. Strategies and tactics required at lower levels throughout the business are also reviewed and renewed to ensure that they remain fully aligned. These mechanisms, combined with the regular dialogue between the Executive Directors and the wider Board, ensure that the consequences of any long-term decisions are considered carefully, and particularly whether they are aligned with the Group's vision and objectives.
- b. ***The interests of the Group's employees and stakeholders:*** The Board considers its major stakeholders to be its employees, suppliers, customers and shareholders. When making decisions, the interests of these stakeholders are considered informally as part of the Board's Group discussions.

The Board has a good relationship with the Group's employees. The Board maintains constructive dialogue with employees through the Executive Directors. Appropriate remuneration and incentive schemes are maintained to align employees' objectives with those of the Group. The Group regularly discusses progress both locally and at a Group level using a variety of ways e.g. 'townhall' style meetings, regular email communications, feedback from continuous improvement boards located throughout the premises and promoting an open-door policy. These provide employees with clear mechanisms of engagement to/from senior management and the Board.

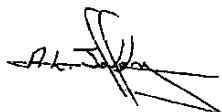
- c. ***The need to foster the Group's relationships with suppliers, customers and others:*** The Board ensures that the Group endeavours to maintain good relationships with its suppliers by contracting on their standard terms where applicable. We meet and communicate with our significant suppliers regularly, and where required we audit their activities in a timely and cost-efficient manner. We frequently offer, and value, long term contracts and relationships to provide stability to their business in return for cost savings. These principles ensure that the interests are aligned across both the Group and our significant suppliers.

Similarly, we engage with customers on agreed and reasonable terms, often using standard contractual terms. We meet and engage with significant customers on a regular basis to provide them with continuity of training, support and communication.

- d. ***The impact of the Group's operations on the community and the environment:*** The Group, led by the Board, aims to have a positive impact on the communities and environment within which it operates. The Board recognises that the Group has a duty to be a good corporate citizen, to minimise harm to the environment and to contribute to the local communities in which it operates.
- e. ***The desirability of the Group maintaining a reputation for high standards of business conduct:*** The Board recognises the importance of maintaining high standards of business conduct and these are communicated clearly to all employees in the Company Handbook. The Group operates appropriate policies of business ethics and provides mechanisms for whistle blowing and complaints.
- f. ***The need to act fairly as between shareholders of the Group:*** The Board endeavours to maintain good relationships with its shareholders and treat them equally. This is achieved through professionally negotiated legal documents and significant shareholders being represented on the Board of Directors.

ANODE HOLDCO LIMITED
GROUP STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023

This report was approved by the board and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'A L Jeffery', with a horizontal line drawn through it.

A L Jeffery
Director

Date: 27 October 2023

ANODE HOLDCO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and the audited consolidated financial statements of Anode Holdco Limited (the "Company") and its subsidiary undertakings (together the "Group") for the year ended 31 March 2023.

Principal activities

The principal activity of the Group is that of the design, development, manufacture, and sale of products for the medical and healthcare sectors.

Results and dividends

The loss for the financial year attributable to owners of the parent Company amounted to £9,423,000 (2022: £8,958,000).

The directors do not recommend any dividend for the financial year.

Directors

The directors who served during the year and up to the date of signing the financial statements were:

A L Jeffery	
I S Venter	(resigned 10 October 2023)
D Patel	(appointed 10 October 2023)

Qualifying third party indemnity provisions

The directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the year and is currently in force.

Going concern

The Group meets its day to day working capital requirements through its cash and bank facilities, and the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence in the foreseeable future.

Detailed financial information is prepared monthly and reviewed by the Board. This includes a detailed profit & loss, balance sheet and cashflow, with key variances further analysed and explained. Additional information is provided that includes the level of liquid resources and cash headroom available to the Group.

A rolling 12-month forecast is maintained to assess the anticipated short and medium term performance and the resulting impact on growth, profitability and liquidity. Senior management meetings are held monthly such that any changes to these forecasts can be reflected on a timely basis. Sensitivities are also factored to understand what levels of stress the business can manage both in terms of liquidity and covenant compliance. This assessment demonstrates that the Group is able to operate within these covenant levels and with adequate liquidity.

The Group has had good levels of headroom against its bank covenants and is projecting to continue to have good levels of headroom in the next 12 months.

The risk of increasing SONIA rates is closely assessed. The Group entered into an interest rate cap in the year to manage the cash flow risk on its debt interest payments over the next 3 years.

ANODE HOLDCO LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2023

Financial risk management

The financial risk management objectives and policies are described within the Strategic Report under the 'Principal Risks and Uncertainties' section.

Future developments

The future developments are described within the Strategic Report under the 'Future developments' section.

Branches outside the UK

At 31 March 2023, the Group has a branch based in Germany.

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the consolidated financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 the Group 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 accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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 the Group and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

ANODE HOLDCO LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023

Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'A L Jeffery', with a large, stylized flourish extending from the end of the signature.

A L Jeffery

Director

Date: 27 October 2023

ANODE HOLDCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANODE HOLDCO LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Anode Holdco Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2023 and of the group's loss and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated and Company Balance Sheets as at 31 March 2023; the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows, the Consolidated and Company Statements of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

ANODE HOLDCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANODE HOLDCO LIMITED (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Group Strategic Report and Directors' Report for the year ended 31 March 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Group Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

ANODE HOLDCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANODE HOLDCO LIMITED (continued)

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to product quality, health and safety, and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as UK tax legislation and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent transactions designed to overstate the financial performance and position of the group. Audit procedures performed by the engagement team included:

- Reviewing board minutes and holding discussions with management, including consideration of any known or suspected instances of non-compliance with laws and regulations and fraud
- Using computer based audit techniques to identify and test higher risk manual journals, in particular those having unusual account combinations
- Obtaining third party confirmations of all the group's banking and financing arrangements.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

ANODE HOLDCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANODE HOLDCO LIMITED (continued)

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Jason Clarke (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff
Date: 27 October 2023

ANODE HOLDCO LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

		Year ended 31 March 2023 £000	10 month period ended 31 March 2022 £000
	Note		
Turnover	4	16,797	12,518
Cost of sales		(5,120)	(3,988)
Gross profit		11,677	8,530
Distribution costs		(1,120)	(824)
Administrative expenses		(11,961)	(10,891)
Exceptional administrative expenses	5	(669)	(654)
Other operating income	6	368	24
Operating loss	7	(1,705)	(3,815)
Interest payable and similar expenses	11	(8,034)	(5,773)
Loss before taxation		(9,739)	(9,588)
Tax on loss	12	(113)	(203)
Loss for the financial year/period		(9,852)	(9,791)
Other comprehensive (expense)/income for the financial year/period			
Currency translation differences		(150)	–
Gain in cash flow hedge		122	–
Other comprehensive expense for the financial year/period		(28)	–
Total comprehensive expense for the financial year/period		(9,880)	(9,791)
Loss for the financial year/period attributable to:			
Non-controlling interests		(429)	(833)
Owners of the parent Company		(9,423)	(8,958)
		(9,852)	(9,791)
Total comprehensive expense for the financial year/period attributable to:			
Non-controlling interests		(429)	(833)
Owners of the parent Company		(9,451)	(8,958)
		(9,880)	(9,791)

The notes on pages 21 to 40 form part of these financial statements.

ANODE HOLDCO LIMITED
REGISTERED NUMBER: 13405885
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £000	2022 £000
Fixed assets			
Intangible assets	13	47,592	53,262
Tangible assets	14	1,220	1,204
		48,812	54,466
Current assets			
Stocks	16	2,494	1,409
Debtors	17	4,021	3,071
Cash at bank and in hand	18	3,391	5,111
		9,906	9,591
Creditors: amounts falling due within one year	19	(11,558)	(5,909)
Net current (liabilities)/assets		(1,652)	3,682
Total assets less current liabilities		47,160	58,148
Creditors: amounts falling due after more than one year	20	(66,549)	(67,712)
Provisions for liabilities			
Deferred taxation	22	(102)	(47)
Net liabilities		(19,491)	(9,611)
Capital and reserves			
Called up share capital	23	15	15
Share premium account	24	137	137
Foreign exchange reserve account	24	(150)	–
Cash flow hedge reserve account	24	122	–
Profit and loss account	24	(18,381)	(8,958)
Equity attributable to owners of the parent Company		(18,257)	(8,806)
Non-controlling interests		(1,234)	(805)
Total shareholders' deficit		(19,491)	(9,611)

The financial statements on pages 15 to 40 were approved by the Board of Directors on 27 October 2023 and signed on its behalf by:



A L Jeffery
Director


The notes on pages 21 to 40 form part of these financial statements.

ANODE HOLDCO LIMITED
REGISTERED NUMBER: 13405885
COMPANY BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £000	2022 £000
Fixed assets			
Investments	15	33,505	33,592
Current assets			
Debtors	17	7,933	3,340
Cash at bank and in hand	18	138	87
		8,071	3,427
Creditors: amounts falling due within one year	19	(8,002)	(3,405)
Net current assets		69	22
Total assets less current liabilities		33,574	33,614
Creditors: amounts falling due after more than one year	20	(33,477)	(33,477)
Net assets		97	137
Capital and reserves			
Called up share capital	23	15	15
Share premium account	24	137	137
Profit and loss account	24	(55)	(15)
Total shareholders' funds		97	137

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's loss for the financial year was £40,000 (2022: £15,000).

The financial statements on pages 15 to 40 were approved by the Board of Directors on 27 October 2023 and signed on its behalf by:



A L Jeffery

Director

Date: 27 October 2023

The notes on pages 21 to 40 form part of these financial statements.

ANODE HOLDCO LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital £000	Share premium account £000	Foreign exchange reserve account £000	Cash flow hedge reserve account £000	Profit and loss account £000	Equity attributable to owners of parent Company £000	Non- controlling interests £000	Total shareholders' deficit £000
On incorporation	-	-	-	-	-	-	-	-
Comprehensive expense for the financial period								
Loss for the financial period	-	-	-	-	(8,958)	(8,958)	(833)	(9,791)
Total comprehensive expense for the financial period	-	-	-	-	(8,958)	(8,958)	(833)	(9,791)
Contributions by and distributions to owners								
Shares issued during the financial period	15	137	-	-	-	152	-	152
Non-controlling interests on acquisition of subsidiary	-	-	-	-	-	-	28	28
Total transactions with owners	15	137	-	-	-	152	28	180
At 31 March 2022 and 1 April 2022	15	137	-	-	(8,958)	(8,806)	(805)	(9,611)
Comprehensive (expense)/income for the financial year								
Loss for the financial year	-	-	-	-	(9,423)	(9,423)	(429)	(9,852)
Currency translation differences	-	-	(150)	-	-	(150)	-	(150)
Gain on cash flow hedge	-	-	-	122	-	122	-	122
Other comprehensive expense for the financial year	-	-	(150)	122	-	(28)	-	(28)
Total comprehensive expense for the financial year	-	-	(150)	122	(9,423)	(9,451)	(429)	(9,880)
At 31 March 2023	15	137	(150)	122	(18,381)	(18,257)	(1,234)	(19,491)

The notes on pages 21 to 40 form part of these financial statements.

ANODE HOLDCO LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total shareholders' funds £000
On incorporation	–	–	–	–
Comprehensive expense for the financial period				
Loss for the financial period	–	–	(15)	(15)
Total comprehensive expense for the financial period	–	–	(15)	(15)
Contributions by and distributions to owners				
Shares issued during the financial period	15	137	–	152
Total transactions with owners	15	137	–	152
At 31 March 2022 and 1 April 2022	15	137	(15)	137
Comprehensive expense for the financial year				
Loss for the financial year	–	–	(40)	(40)
Total comprehensive expense for the financial year	–	–	(40)	(40)
At 31 March 2023	15	137	(55)	97

The notes on pages 21 to 40 form part of these financial statements.

ANODE HOLDCO LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Year ended 31 March £000	10 month period ended 31 March £000
Cash flows from operating activities		
Loss for the financial year/period	(9,852)	(9,791)
Adjustments for:		
Amortisation of intangible assets	5,903	4,899
Depreciation of tangible assets	277	121
Profit on disposal of tangible assets	(125)	–
Interest payable and similar expenses	7,715	5,436
Amortisation of loan transaction fees	319	337
Taxation (credit)/charge	113	203
Increase in stocks	(1,085)	(149)
Increase in debtors	(426)	(770)
Increase in creditors	785	622
Corporation tax paid	–	(306)
Purchase of derivative contract	(460)	–
Non-cash movement in shares held as debt	18	–
Foreign exchange difference	(150)	–
Net cash generated from operating activities	3,032	602
Cash flows from investing activities		
Purchase of tangible assets	(568)	(756)
Sale of tangible assets	400	1
Purchase of subsidiaries	–	(32,106)
Development costs capitalised	(233)	(82)
Net cash used in investing activities	(401)	(32,943)
Cash flows from financing activities		
Issue of ordinary shares	–	152
New secured loans	–	2,400
Repayment of secured loans	(1,500)	–
Other new loans	–	100
Shares treated as debt - issued	–	36,773
Interest paid	(2,851)	(2,001)
Non-controlling interests on acquisition of subsidiary	–	28
Net cash (used in)/generated from financing activities	(4,351)	37,452
Net (decrease)/increase in cash and cash equivalents	(1,720)	5,111
Cash and cash equivalents at the beginning of financial year/period	5,111	–
Cash and cash equivalents at the end of financial year/period	3,391	5,111
Cash and cash equivalents at the end of financial year/period comprise:		
Cash at bank and in hand	3,391	5,111

The notes on pages 21 to 40 form part of these financial statements.

ANODE HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 General information

The principal activity of the Group is that of the design, development, manufacture, and sale of products for the medical and healthcare sectors.

The Company is a private company, limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is 6th Floor, 125 London Wall, London, EC2Y 5AS.

2 Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention, except where financial instruments are held at fair value as detailed in the accounting policies below, and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied consistently throughout the year:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

ANODE HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting policies (continued)

2.4 Going concern

The Group meets its day to day working capital requirements through its cash and bank facilities, and the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence in the foreseeable future.

Detailed financial information is prepared monthly and reviewed by the Board. This includes a detailed profit & loss, balance sheet and cashflow, with key variances further analysed and explained. Additional information is provided that includes the level of liquid resources and cash headroom available to the Group.

A rolling 12-month forecast is maintained to assess the anticipated short and medium term performance and the resulting impact on growth, profitability and liquidity. Senior management meetings are held monthly such that any changes to these forecasts can be reflected on a timely basis. Sensitivities are also factored to understand what levels of stress the business can manage both in terms of liquidity and covenant compliance. This assessment demonstrates that the Group is able to operate within these covenant levels and with adequate liquidity.

The Group has had good levels of headroom against its bank covenants and is projecting to continue to have good levels of headroom in the next 12 months.

The risk of increasing SONIA rates is closely assessed. The Group entered into an interest rate cap in the year to manage the cash flow risk on its debt interest payments over the next 3 years.

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

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

ANODE HOLDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting policies (continued)

2.6 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

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

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

2.7 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.8 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the period in which they are incurred.

2.10 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

ANODE HOLDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting policies (continued)

2.11 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the Company and the Group operate and generate income.

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

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

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

2.12 Exceptional items

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

ANODE HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting policies (continued)

2.13 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Statement of Comprehensive Income over its useful economic life of 10 years.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Brands and customer relationships are both amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over their useful economic lives of 10 years.

Research expenditure is written off to the Consolidated Statement of Comprehensive Income in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the 3 year period during which the Company is expected to benefit.

2.14 Tangible assets

Tangible assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	– 10% on cost per annum
Plant and machinery	– 20% or 33% cost per annum
Fixtures and fittings	– 20%, 25% or 33% on cost per annum

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

ANODE HOLDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting policies (continued)

2.15 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.16 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each Balance Sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Consolidated Statement of Comprehensive Income.

2.17 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.18 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.19 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

ANODE HOLDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting policies (continued)

2.20 Financial instruments

The Group has chosen to apply section 11 and 12 of FRS 102 in respect of recognition and measurement of financial instruments.

The Group enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares. The Group also holds derivatives, including interest rate caps, which are not basic financial instruments.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement. Changes in the fair values of derivatives designated as cash flow hedges, and which are effective, are recognised directly in equity. Any ineffectiveness in the hedging relationship (being the excess of the cumulative change in fair value of the hedging instrument since inception of the hedge over the cumulative change in the fair value of the hedged item since inception of the hedge) is recognised in profit and loss. The gain or loss recognised in other comprehensive income is reclassified to profit and loss when the hedge relationship ends. Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised or the hedging instrument is terminated.

ANODE HOLDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

3 Judgements in applying accounting policies and key sources of estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Stock provisioning

The Company manufactures and sells a range of medical devices which can be subject to changing customer requirements. As a result, it is necessary to consider the recoverability of the cost of stock and the associated provisioning required. When calculating the stock provision, management considers the nature, age and condition of the inventory, as well as applying the assumptions around anticipated saleability of finished goods and future usage of raw materials.

(ii) Impairment of debtors

The Group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 17 for the net carrying amount of the debtors and associated impairment provision.

(iii) Useful economic life of intangible assets

The annual amortisation charge for intangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are amended when necessary to reflect current estimates, based on the value of the underlying investments. See note 13 for the carrying amount of the intangible assets, and note 2.13 for the useful economic lives for each class of assets.

4 Turnover

The whole of the turnover is attributable to the principal activity of the Group, which is the sale of goods for the medical and healthcare sectors.

Analysis of turnover by country of destination:

	Year ended 31 March 2023 £000	10 month period ended 31 March 2022 £000
United Kingdom	13,905	10,468
Rest of Europe	1,885	1,428
Rest of the world	1,007	622
	16,797	12,518

ANODE HOLDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

5 Exceptional administrative expenses

	Year ended 31 March 2023 £000	10 month period ended 31 March 2022 £000
Group restructuring costs	434	77
Management restructuring costs	65	281
Relocation costs	–	46
Other exceptional costs	170	250
	669	654

Group Restructuring costs relates to commercial operations restructuring. Other exceptional costs relates to commercial operations restructuring and professional fees.

In the prior period, Group restructuring costs were incurred during the refinancing of the business with Crescent Capital Group LP in February 2021, with management restructuring costs incurred in changing the composition of the Board. Relocation and legal costs relate to the disposal of the Infection Prevention businesses in 2020, and the move to the new Tredegar site.

6 Other operating income

	Year ended 31 March 2023 £000	10 month period ended 31 March 2022 £000
Foreign exchange gain	212	24
Profit on disposal of tangible assets	125	–
R&D expenditure credit	31	–
	368	24

7 Operating loss

The operating loss is stated after charging/(crediting):

	Year ended 31 March 2023 £000	10 month period ended 31 March 2022 £000
Research & development charged as an expense	19	8
Depreciation of tangible assets	277	121
Amortisation of intangible assets	5,903	4,899
Profit on sale of tangible assets	(125)	–
Exchange differences	(212)	(24)
Operating lease rentals	53	39

ANODE HOLDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

8 Auditors' remuneration

	Year ended 31 March 2023 £000	10 month period ended 31 March 2022 £000
Fees payable to the Group's auditors for the audit of the Company's annual financial statements	6	6
Fees payable to the Group's auditors in respect of:		
Fees payable to the Group's auditors for the audit of the annual financial statements of the subsidiaries of the Company	50	60
Taxation compliance services	86	60
Taxation advisory services	47	96
Other non-audit services	56	58

9 Employees

Staff costs, including directors' remuneration, were as follows:

	Group Year ended 31 March 2023 £000	Group 10 month period ended 31 March 2022 £000
Wages and salaries	4,640	4,055
Social security costs	527	336
Other pension costs	126	72
	5,293	4,463

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

	Year ended 31 March 2023 Number	10 month period ended 31 March 2022 Number
Administrative	26	16
Sales and marketing	33	19
Management	6	5
Production	43	36
	108	76

The Company has no employees other than the directors.

ANODE HOLDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

10 Directors' remuneration

The directors of the Company do not receive any remuneration for their services to the Group. The key management personnel of the Group received total remuneration for their services of £465,000 (2022: £532,000) for the year

11 Interest payable and similar expenses

	Year ended 31 March 2023 £000	10 month period ended 31 March 2022 £000
Bank interest payable	2,851	1,721
Amortisation of transaction costs	319	290
Dividends on preference shares held as debt	4,864	3,762
	8,034	5,773

12 Tax on loss

	Year ended 31 March 2023 £000	10 month period ended 31 March 2022 £000
Corporation tax		
Current tax on losses for the financial year/period	285	234
Adjustments in respect of prior years	(227)	(24)
Total current tax	58	210
Deferred tax		
Origination and reversal of timing differences	(27)	(5)
Changes to tax rates	(8)	(2)
Adjustments in respect of prior periods	90	–
Total deferred tax	55	(7)
Total tax	113	203

ANODE HOLDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

12 Tax on loss (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2022: higher than) the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%). The differences are explained below:

	Year ended 31 March 2023 £000	10 month period ended 31 March 2022 £000
Loss before taxation	(9,739)	(9,588)
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	(1,850)	(1,822)
Effects of:		
Expenses not deductible	3,063	2,027
Income not taxable	(848)	–
Adjustments in respect of prior years	(137)	(24)
Tax rate changes	(8)	(2)
Effects of group relief/other reliefs	–	(3)
Transfer pricing adjustments	–	27
Chargeable gains	(2)	–
Effects of overseas tax rates	(47)	–
Patent box	(58)	–
Total tax charge for the financial year/period	113	203

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Act 2022 (published on 24 May 2021, with royal assent received on 10 June 2021). This confirmed an increase to the corporation tax rate to 25% with effect from 1 April 2023. Deferred taxes at the Balance Sheet date have been calculated based on the corporation tax rate of 25% that is enacted at the reporting date.

ANODE HOLDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

13 Intangible assets

Group

	Development costs £000	Goodwill £000	Total £000
Cost			
At 1 April 2022	399	57,762	58,161
Additions	233	–	233
At 31 March 2023	632	57,762	58,394
Accumulated amortisation			
At 1 April 2022	89	4,810	4,899
Charge for the year	131	5,772	5,903
At 31 March 2023	220	10,582	10,802
Net book value			
At 31 March 2023	412	47,180	47,592
At 31 March 2022	310	52,952	53,262

14 Tangible assets

Group

	Freehold property £000	Plant and machinery £000	Fixtures and fittings £000	Other fixed assets £000	Total £000
Cost					
At 1 April 2022	275	223	121	706	1,325
Additions	–	471	70	27	568
Disposals	(275)	–	–	–	(275)
At 31 March 2023	–	694	191	733	1,618
Accumulated depreciation					
At 1 April 2022	–	78	43	–	121
Charge for the year	–	137	74	66	277
At 31 March 2023	–	215	117	66	398
Net book value					
At 31 March 2023	–	479	74	667	1,220
At 31 March 2022	275	145	78	706	1,204

ANODE HOLDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

15 Investments

Company

	Investments in subsidiary companies £000
Cost	
At 1 April 2022	33,592
Disposals	(105)
Share issue	18
At 31 March 2023	33,505
Net book value	
At 31 March 2023	33,505
At 31 March 2022	33,592

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Anode Topco Limited*	Innova One, Tredegar Business Park, Tredegar, Blaenau Gwent, NP22 3EL	Holding company	Ordinary	78.5 %
Anode Bidco Limited	Innova One, Tredegar Business Park, Tredegar, Blaenau Gwent, NP22 3EL	Holding company	Ordinary	78.5 %
Kansas Topco Limited	Innova One, Tredegar Business Park, Tredegar, Blaenau Gwent, NP22 3EL	Holding company	Ordinary	78.5 %
Kansas Midco Limited	Innova One, Tredegar Business Park, Tredegar, Blaenau Gwent, NP22 3EL	Holding company	Ordinary	78.5 %
Kansas Bidco Limited	Innova One, Tredegar Business Park, Tredegar, Blaenau Gwent, NP22 3EL	Financing company	Ordinary	78.5 %
Frontier Medical Group Limited	Innova One, Tredegar Business Park, Tredegar, Blaenau Gwent, NP22 3EL	Holding company	Ordinary	78.5 %

ANODE HOLDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

15 Investments (continued)

Subsidiary undertakings (continued)

Name	Registered office	Principal activity	Class of shares	Holding
Frontier Medical Investments Limited	Innova One, Tredegar Business Park, Tredegar, Blaenau Gwent, NP22 3EL	Holding company	Ordinary	78.5 %
Frontier Medical Limited	Innova One, Tredegar Business Park, Tredegar, Blaenau Gwent, NP22 3EL	Holding company	Ordinary	78.5 %
Frontier Medical Products Limited	Innova One, Tredegar Business Park, Tredegar, Blaenau Gwent, NP22 3EL	Holding company	Ordinary	78.5 %
Frontier Medical Solutions Limited	Innova One, Tredegar Business Park, Tredegar, Blaenau Gwent, NP22 3EL	Holding company	Ordinary	78.5 %
Frontier Therapeutics Limited	Innova One, Tredegar Business Park, Tredegar, Blaenau Gwent, NP22 3EL	Medical products	Ordinary	78.5 %
Frontier Therapeutics Inc	4698 Brentwood Drive, Buffalo, NY 14221 Williamsville US	Medical products	Ordinary	78.5 %
Frontier Medical Germany GmbH	Frontier Medical Group Geschäftsstelle Deutschland Nußbaumallee 27a 14050 Berlin	Medical products	Ordinary	78.5 %
Genie Care Limited	Innova One, Tredegar Business Park, Tredegar, Blaenau Gwent, NP22 3EL	Medical products	Ordinary	78.5 %

* Held directly

16 Stocks

	Group	Group
	2023	2022
	£000	£000
Raw materials and consumables	1,816	533
Work in progress (goods to be sold)	89	44
Finished goods and goods for resale	589	832
	2,494	1,409

The difference between purchase price or production cost of stocks and their replacement cost is not material.

ANODE HOLDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

17 Debtors

	Group	Group	Company	Company
	2023	2022	2023	2022
	£000	£000	£000	£000
Trade debtors	2,332	1,946	–	–
Amounts owed by group undertakings	–	–	7,931	3,338
Other debtors	369	386	–	2
Corporation tax receivable	429	457	–	–
Derivative financial assets	582	–	–	–
Prepayments and accrued income	309	282	2	–
	4,021	3,071	7,933	3,340

Trade debtors are stated after a provision for impairment of £Nil (2022: £Nil).

Derivate assets are classified as assets held as part of a hedging arrangement and consist of an interest rate cap.

The instrument is used to hedge the Group's exposure to interest rate movements on the bank loan facility. The hedging arrangement caps the total interest payable on the loan to 3.5% to 30 September 2024 and 4.5% to 30 September 2025. The fair value of the interest rate swap is £582,000 (2022: £Nil).

During the year, a hedging gain of £122,000 (2022: £Nil) was recognised in other comprehensive income for changes in the fair value of the interest rate cap and £Nil (2022: £Nil) was recognised in profit and loss.

18 Cash at bank and in hand

	Group	Group	Company	Company
	2023	2022	2023	2022
	£000	£000	£000	£000
Cash at bank and in hand	3,391	5,111	138	87

19 Creditors: amounts falling due within one year

	Group	Group	Company	Company
	2023	2022	2023	2022
	£000	£000	£000	£000
Trade creditors	1,636	843	–	–
Amounts owed to group undertakings	–	–	176	–
Other taxation and social security	644	478	–	–
Other creditors	35	105	–	–
Accruals and deferred income	9,243	4,483	7,826	3,405
	11,558	5,909	8,002	3,405

ANODE HOLDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

20 Creditors: amounts falling due after more than one year

	Group	Group	Company	Company
	2023	2022	2023	2022
	£000	£000	£000	£000
Bank loans and overdrafts (note 21)	29,658	30,839	–	–
Other loans (note 21)	100	100	100	100
Preference shares held as debt issued to shareholders	33,377	33,377	33,377	33,377
Preference shares held as debt issued to non-controlling interests	3,414	3,396	–	–
	66,549	67,712	33,477	33,477

Disclosure of the terms and conditions attached to the non-equity shares is made in note 23.

21 Loans

	Group	Group	Company	Company
	2023	2022	2023	2022
	£000	£000	£000	£000
Amounts falling due after more than 5 years				
Bank loans and overdrafts	29,658	30,839	–	–
Other loans	100	100	100	100
	29,758	30,939	100	100

Bank loans of £29,700,000 are repayable after 17 February 2028, are secured on the assets of the Group and accrue interest at Bank of England base rate plus a margin in line with market rates. The Group's financing facility also includes a revolving credit facility of £3,000,000 to cover, if needed, any working capital and liquidity requirements. Interest is charged at SONIA plus 4.75% on any drawn amount. A commitment fee of 2.375% is charged on any un-drawn amounts. At 31 March 2023 the drawn amount totalled £1,500,000.

The bank loans are disclosed net of unamortised debt issue costs of £1,542,000 (2022: £1,861,000).

Other loans of £100,000 are repayable on 25 March 2028, or such other date as agreed between the lender and borrower, are unsecured and accrue interest at a rate of 0.5% per annum.

ANODE HOLDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

22 Deferred taxation

Group

	2023
	£000
At 1 April 2022	47
Charged to profit or loss	55
At 31 March 2023	102

The provision for deferred taxation is made up as follows:

	Group	Group
	2023	2022
	£000	£000
Fixed asset timing differences	104	47
Short term timing differences	(2)	–
	102	47

23 Called up share capital

Group and Company

	2023	2022
	£	£
Shares classified as equity		

Allotted, called up and fully paid

151,685 (2022: 151,685) Ordinary shares of £0.10 (2022: £0.10) each	15	15
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	2023	2022
	£	£

Shares classified as debt

Allotted, called up and fully paid

33,376,799 (2022: 33,376,799) Preference shares of £1.00 (2022: £1.00) each	33,377	33,377
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ANODE HOLDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

24 Reserves

Share premium account

The share premium account represents consideration received in respect of the issuance of share capital in excess of the nominal value of that share capital, less any costs directly incurred in connection with the issue.

Foreign exchange reserve account

The foreign exchange reserve account consists of accumulated foreign exchange differences recognised on consolidation.

Cash flow hedge reserve account

The cash flow hedge reserve account consists of accumulated hedging gains and losses on derivative financial instruments.

Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the Group and Company.

25 Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension charge amounted to £126,000 (2022: £72,000).

26 Commitments under operating leases

At 31 March the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2023 £000	Group 2022 £000
Not later than 1 year	31	48
Later than 1 year and not later than 5 years	16	52
	47	100

ANODE HOLDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

27 Analysis of net debt

	At 1 April 2022	Cash flows	Other non- cash changes	At 31 March 2023
	£000	£000	£000	£000
Cash at bank and in hand	5,111	(1,720)	–	3,391
Debt due after 1 year	(67,712)	1,482	(319)	(66,549)
	(62,601)	(238)	(319)	(63,158)

28 Related party transactions

The Company is owed £7,899,000 (2022: £3,504,000) by Anode Topco Limited, is owed £31,000 (2022: £Nil) by Anode Holdco 2 Limited and the Company owes Frontier Medical Products Limited £176,000 (2022: £176,000). All entities are subsidiaries of the Company.

Amounts charged in the year by FTF Consultancy Ltd totalled £46,095 (2022: £Nil). FTF is an external advisory firm owned and operated by Anne-Marie Laing, who served in the year as a director of the ultimate parent company Anode Holdco Limited (resigned 31 March 2023). Amounts charged in the year by Celect Associates totalled £45,375 (2022: £Nil). Celect is an external recruitment agency owned and operated by a person connected to director Mark Phillips. There were no amounts owed to either of these companies at 31 March 2023.

The key management personnel of the Group are considered to be the directors, and their remuneration is disclosed in note 10.

29 Ultimate controlling party

The ultimate controlling party is Agilitas 2020 Private Equity Fund SCSp, a company incorporated in Luxembourg.