

Årsredovisning

för

DHG Sweden Holding AB

559239-4661

Räkenskapsåret

2022

Fastställelseintyg

Undertecknad styrelseledamot i DHG Sweden Holding AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämman 11 Oktober 2023. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Kista 11 Oktober 2023



Graham Ewart

ÅRSREDOVISNING

för

DHG Sweden Holding AB

Org.nr. 559239-4661

Styrelsen får härmed avlämna årsredovisning för räkenskapsåret 2022-01-01 - 2022-12-31

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FÖRVALTNINGSBERÄTTELSE

Årsredovisningen är upprättad i svenska kronor, SEK.

Verksamheten

Företaget är ett holdingbolag med ägande i Direct Healthcare Groups rörelsedrivande dotterbolag i Sverige, Norge, Danmark och Finland.

Företagets säte är Reftele, Gislaveds kommun.

Flerårsjämförelse*

	2022	2021	2020
Nettoomsättning	0	1 297 200	245 181
Res. efter finansiella poster	-41 838 993	-16 968 409	3 693 623
Balansomslutning	284 664 309	230 940 826	265 619 422
Soliditet (%)	26,40	21,77	25,10

*Definitioner av nyckeltal, se noter

Väsentliga händelser under räkenskapsåret

Den 31 januari 2022 förvärvade DHG Sweden Holdings AB Vendlet Group med verksamhet i Danmark och Nederländerna. Förvärvet är avsett att stärka koncernens befintliga närvaro i både Danmark och Nederländerna och stärka DHG:s position som en ledande tillverkare av tryckvårdsprodukter, specialstolar, patientförlytnings- och badrumssäkerhetslösningar.

Under 2022 har det genomförts en nyemission där 100 nya aktier har tecknats och tilldelats för betalning motsvarande 66 708 655 kr. Aktiekapitalet har ökats med 100 kr. Nedskrivning av andelar i dotterföretag har skett med 21 975 419 kr.

Väsentliga händelser efter räkenskapsårets slut

Inga väsentliga händelser har inträffat efter räkenskapsårets slut. Kriget i Ukraina har hittills haft begränsad inverkan kommersiellt, men ledningen övervakar situationen noga och ser över effekterna på koncernens försörjningskedjor/logistik för att säkerställa att koncernen möter kundernas krav.

Förändringar i eget kapital

	Aktiekapital	Övrigt bundet eget kapital	Övrigt fritt eget kapital	Årets resultat	Summa fritt eget kapital
Belopp vid årets ingång	25 001	0	66 653 275	-16 395 083	50 258 192
Nyemission	100	0	66 708 556	0	66 708 556
Resultatdisp. enl. beslut av årsstämma:			-16 395 083	16 395 083	0
Årets förlust				-41 838 993	-41 838 993
Belopp vid årets utgång	25 101	0	116 966 748	-41 838 993	75 127 755

Resultatdisposition

Förslag till disposition av bolagets vinst

Till årsstämmans förfogande står	
balanserad förlust	-14 496 129
fri överkursfond	93 462 877
erhållna aktieägartillskott	38 000 000
årets förlust	-41 838 993
	<u>75 127 755</u>
Styrelsen föreslår att	
i ny räkning överföres	<u>75 127 755</u>
	75 127 755

Beträffande bolagets resultat och ställning i övrigt hänvisas till efterföljande resultat- och balansräkningar med tillhörande noter.

RESULTATRÄKNING

	Not	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Rörelsens intäkter m.m.			
Nettoomsättning		<u>0</u>	<u>1 297 200</u>
		0	1 297 200
Rörelsens kostnader			
Övriga externa kostnader		-772 413	-1 535 672
Personalkostnader	2	<u>0</u>	<u>0</u>
		-772 413	-1 535 672
Rörelseresultat		-772 413	-238 472
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	3	-21 975 419	-5 069 711
Ränteintäkter från koncernföretag		4 518 726	4 420 178
Räntekostnader och liknande resultatposter		-23 118 845	-15 791 412
Räntekostnader till koncernföretag		<u>-491 042</u>	<u>-288 992</u>
		-41 066 580	-16 729 937
Resultat efter finansiella poster		-41 838 993	-16 968 409
Resultat före skatt		-41 838 993	-16 968 409
Skatt på årets resultat	4	0	573 326
Årets resultat		<u>-41 838 993</u>	<u>-16 395 083</u>

2023102411166

DHG Sweden Holding AB

Org.nr. 559239-4661

BALANSRÄKNING**TILLGÅNGAR****Anläggningstillgångar****Finansiella anläggningstillgångar**Andelar i koncernföretag
Uppskjuten skattefordran

Not

2022-12-31

2021-12-31

5

184 618 317

161 128 422

573 326573 326

185 191 643

161 701 748

Summa anläggningstillgångar

185 191 643

161 701 748

Omsättningstillgångar**Kortfristiga fordringar**Fordringar hos koncernföretag
Aktuell skattefordran
Övriga fordringar

96 344 845

67 903 621

1 448 745

0

78 20614 143

97 871 796

67 917 764

Kassa och bank

Kassa och bank

1 600 8701 321 314**Summa kassa och bank**

1 600 870

1 321 314

Summa omsättningstillgångar

99 472 666

69 239 078

SUMMA TILLGÅNGAR**284 664 309****230 940 826**

2023102411167

BALANSRÄKNING**EGET KAPITAL OCH SKULDER****Eget kapital**

202310241168

Bundet eget kapital

Aktiekapital

25 101

25 001

25 10125 001**Fritt eget kapital**

Fri överkursfond

93 462 877

26 754 322

Balanserat resultat

-14 496 129

1 898 953

Erhållet aktieägartillskott

38 000 000

38 000 000

Årets resultat

-41 838 993

-16 395 08375 127 75550 258 192**Summa eget kapital**75 152 85650 283 193**Långfristiga skulder**

6

Skulder till kreditinstitut

185 086 605

168 815 944

Summa långfristiga skulder185 086 605168 815 944**Kortfristiga skulder**

Skulder till koncernföretag

23 896 848

9 858 144

Aktuell skatteskuld

0

1 794 670

Upplupna kostnader och förutbetalda intäkter

528 000

188 875**Summa kortfristiga skulder**24 424 84811 841 689**SUMMA EGET KAPITAL OCH SKULDER****284 664 309****230 940 826**

NOTER**Not 1 Redovisnings- och värderingsprinciper**

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning.

Principerna är oförändrade jämfört med föregående år.

Fordringar

Fordringar har upptagits till de belopp varmed de beräknas inflyta.

Övriga tillgångar, avsättningar och skulder

Övriga tillgångar, avsättningar och skulder har värderats till anskaffningsvärden om inget annat anges nedan.

Intäktsredovisning

Inkomsten redovisas till det verkliga värdet av vad som erhållits eller kommer att erhållas. Företaget redovisar därför inkomsten till nominellt värde (fakturabelopp) om ersättningen erhålls i likvida medel direkt vid leverans. Avdrag görs för lämnade rabatter.

Andelar i koncernföretag

Andelar i dotterföretag redovisas till anskaffningsvärde. Utdelning från dotterföretag redovisas som intäkt när rätten att få utdelning bedöms som säker och kan beräknas på ett tillförlitligt sätt.

Finansiella instrument

Finansiella instrument värderas utifrån anskaffningsvärde.

Finansiella tillgångar och finansiella skulder redovisas när företaget blir part i det finansiella instrumentets avtalsmässiga villkor. Finansiella tillgångar tas bort från balansräkningen när den avtalsenliga rätten till kassaflödet från tillgången upphör eller regleras, eller när de risker och fördelar förknippade med tillgången överförs till annan part. Finansiella skulder tas bort från balansräkningen när den avtalade förpliktelsen fullgörs eller upphör.

Finansiella anläggningstillgångar och finansiella långfristiga skulder samt räntebärande kortfristiga finansiella fordringar och skulder värderas såväl vid första redovisningstillfället som i efterföljande värdering till upplupet anskaffningsvärde, vilket normalt är detsamma som verkligt värde (transaktionsvärdet) vid anskaffningstidpunkten med tillägg av direkt hänförliga transaktionsutgifter såsom courtage.

Emissionsutgifter och andra låneutgifter än ränta redovisas som en korrigerande av lånets anskaffningsvärde och periodiseras som en del av lånets räntekostnad enligt effektivräntemetoden.

Nedskrivning av finansiell anläggningstillgång

Per varje balansdag bedömer företaget om det finns indikationer på nedskrivningsbehov. Bedömningen görs individuellt post för post. Företagets värdepappersportfölj utgör en post då företaget utformat och dokumenterat en riskspridningsstrategi och de finansiella instrumenten i portföljen är klart identifierbara. Vid varje balansdag utvärderar företaget om det finns indikationer på att en eller flera finansiella anläggningstillgångar minskat i värde. Exempel på sådana indikationer är betydande finansiella svårigheter hos låntagaren, avtalsbrott eller att det är sannolikt att låntagaren kommer att gå i konkurs.

För finansiella anläggningstillgångar som värderas till upplupet anskaffningsvärde görs nedskrivning av redovisat värde till nuvärdet av den bästa uppskattningen av framtida kassaflöden diskonterat med tillgångens ursprungliga effektivränta eller aktuell ränta på balansdagen för tillgångar med rörlig förräntning. Tillgångar med rörlig ränta diskonteras med aktuell ränta på balansdagen. För finansiella anläggningstillgångar som handlas på en aktiv marknad har företaget valt att göra nedskrivningar till verkligt värde med avdrag för försäljningskostnader. För finansiella anläggningstillgångar som värderas till upplupet anskaffningsvärde beräknas nedskrivningen som skillnaden mellan tillgångens redovisade värde och nuvärdet av företagsledningens bästa uppskattning av framtida kassaflöden. Diskontering sker med en ränta som motsvarar tillgångens ursprungliga effektivränta. För tillgångar med rörlig ränta används den på balansdagen aktuella räntan.

NOTER

Per varje balansdag bedöms om en tidigare nedskrivning ska återföras helt eller delvis till följd av att de skäl som låg till grund för nedskrivningen har förändrats.

Inkomstskatt

Aktuell skatt är inkomstskatt för innevarande räkenskapsår som avser årets skattepliktiga resultat och den del av tidigare räkenskapsårs inkomstskatt som ännu inte har redovisats.

Aktuell skatt värderas till det sannolika beloppet enligt de skattesatser och skatteregler som gäller på balansdagen.

Fordringar och skulder i utländsk valuta

Monetära fordringar och skulder i utländsk valuta har räknats om till balansdagens kurs.

Valutakursdifferenser som uppkommer vid reglering eller omräkning av monetära poster redovisas i resultaträkningen det räkenskapsår de uppkommer, antingen som en rörelsepost eller som en finansiell post utifrån den underliggande affärshändelsen.

UPPLYSNINGAR TILL ENSKILDA POSTER

Not 2	Medelantal anställda	2022	2021
	<i>Medelantal anställda</i>		
	Medelantalet anställda bygger på av bolaget betalda närvarotimmar relaterade till en normal arbetstid.		
	Medelantal anställda har varit	0	0
Not 3	Resultat från andelar i koncernföretag	2022	2021
	Utdelning	0	22 095 040
	Nedskrivningar	-21 719 183	-27 164 751
		-21 719 183	-5 069 711
Not 4	Skatt på årets resultat	2022	2021
	Uppskjuten skatt	0	573 326
		0	573 326
	<i>Avstämning av effektiv skatt</i>		
	Resultat före skatt	-41 838 993	-16 968 409
	Skattekostnad 20,60% (20,60%)	8 618 833	3 495 492
	Skatteeffekt av:		
	Ej avdragsgilla kostnader	-6 573 864	-7 473 744
	Ej skattepliktiga intäkter	0	4 551 578
	I år uppkomna underskottsavdrag	-8 618 833	0
	Uppkomna ej balanserade underskottsavdrag	-2 044 969	0
	Avrundningsdifferens	8 618 833	0
	Summa	0	573 326

NOTER

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Not 5	Andelar i koncernföretag			2022-12-31	2021-12-31
	Företag Organisationsnummer	Säte	Kapital- andel %	Redovisat värde	Redovisat värde
	DHG Sverige AB			120 141 591	119 180 671
	556245-5856	Kista, Sverige	100%		
	GATE Rehab Development AB			16 787 590	31 521 600
	556564-0041	Reftele, Sverige	100%		
	DHG Danmark AS			0	8 200 000
	27225780	Herning, Danmark	100%		
	DHG Norge AS			2 223 822	2 226 151
	816122082	Lierstranda, Norge	100%		
	DHG Finland Holdings Oy			0	0
	3010089-7	Helsingfors, Finland	100%		
	Vendlet ApS			45 465 314	0
	21800279	Vejle, Danmark	100%		
				<u>184 618 317</u>	<u>161 128 422</u>
	Ingående anskaffningsvärde			242 188 171	242 188 171
	Inköp			45 465 314	0
	Utgående ackumulerade anskaffningsvärden			287 653 485	242 188 171
	Ingående nedskrivningar			-81 059 749	-53 894 998
	Årets nedskrivningar			-21 975 419	-27 164 751
	Utgående ackumulerade nedskrivningar			<u>-103 035 168</u>	<u>-81 059 749</u>
	Utgående redovisat värde			184 618 317	161 128 422

Not 6	Långfristiga skulder	2022-12-31	2021-12-31
	Amortering inom 2 till 5 år	185 086 605	168 815 944

Not 7	Ställda säkerheter	2022-12-31	2021-12-31
	Bankmedel	1 126 746	1 321 314

Not 8	Eventualförpliktelser	2022-12-31	2021-12-31
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Enligt avtal har koncernen solidariskt betalningsansvar till respektive kreditinstitut. Vid utgången av räkenskapsåret uppgår totala utestående lån till 1 112 568 tkr. Ledningen övervakar kontinuerligt företagets och koncernens ekonomiska resultat och från granskning av de finansiella prognoserna under en period av mer än 12 månader från undertecknandet visar att verksamheten förväntar sig att fortsätta handla lönsamt och har tillräckligt med rörelsekapital för att möta kreditfacilitetens krav.

Not 9 Väsentliga händelser efter räkenskapsårets slut

Inga väsentliga händelser har inträffat efter räkenskapsårets slut.

Kriget i Ukraina har hittills haft begränsad inverkan kommersiellt, men ledningen övervakar situationen noga och ser över effekterna på koncernens försörjningskedjor/logistik för att säkerställa att koncernen möter kundernas krav.

NOTER

Not 10 Koncernförhållanden

Bolaget är moderbolag, men med stöd av ÅRL 7 kap 2 § upprättas inte någon koncernredovisning.

Det direkta ägarbolaget är DHG Midco s.a.r.l. (registreringsnummer B240658), ett bolag registrerat i Luxemburg. Det slutliga moderbolaget är DHG Holdco s.a.r.l. (registreringsnummer B240691), som också är registrerat i Luxemburg och är den minsta och största koncernen i vilken resultatet för detta företag konsolideras. De verkliga huvudmänen för koncernen är Denis Ribon och Vincent Guilaumot som äger en fondgrupp som förvaltas av Archimed.

2023102411172

NOTER

Not 11 Definition av nyckeltal

Soliditet
Justerat eget kapital i procent av balansomslutning

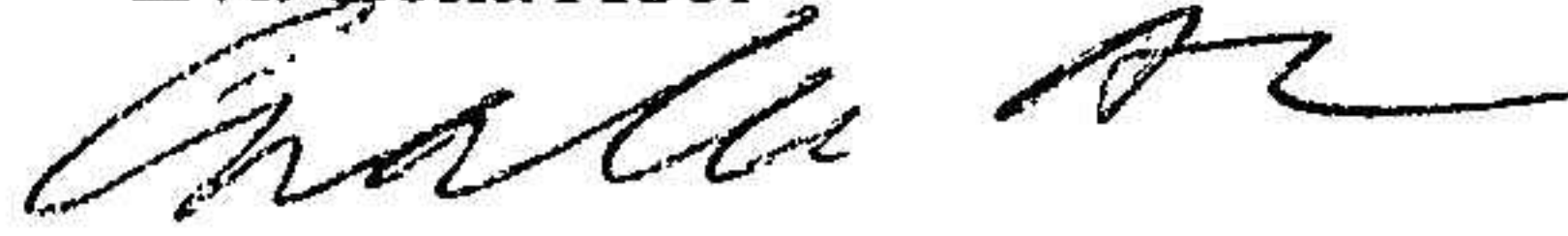
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Reftele 2023-10-10

Graham Ewart




Eva-Lena Abel



Andreas Ericson



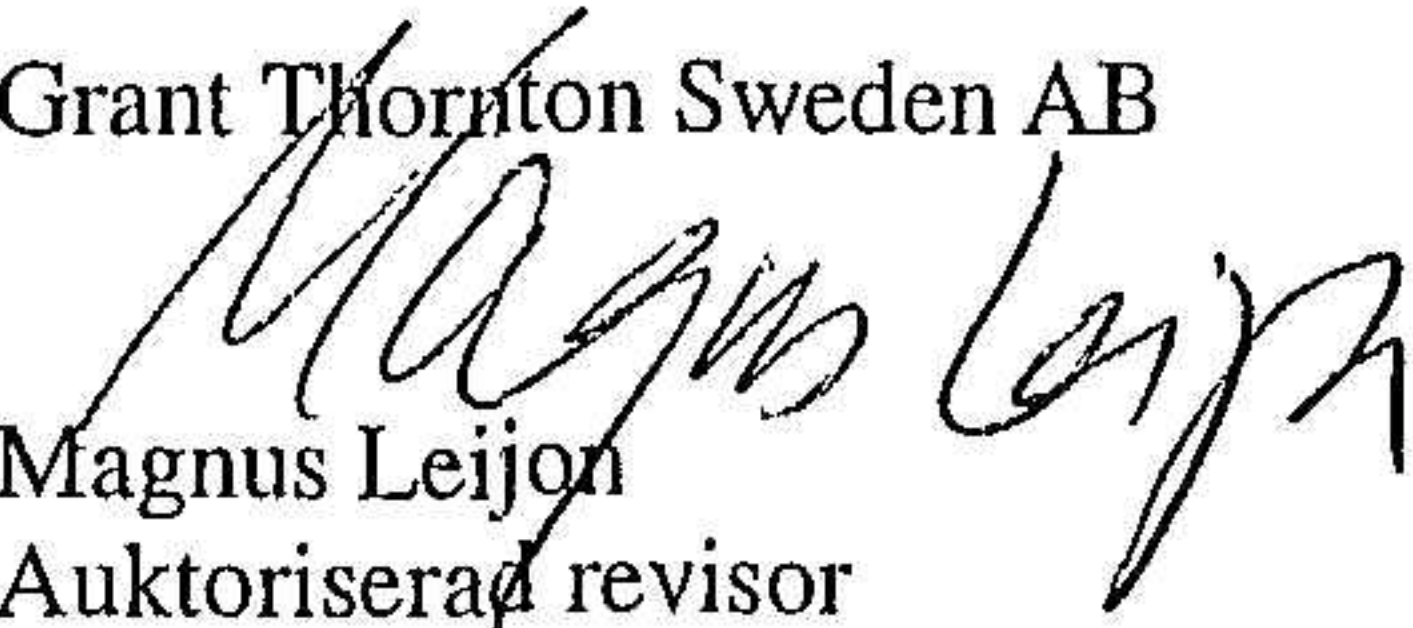
Kajsa Palmgren



Vår revisionsberättelse har lämnats den 10/10-2023

Grant Thornton Sweden AB

Magnus Leijon
Auktoriserad revisor



Att denna fotokopia rätt återge
originalhandlingen inbegår.

Grant Thornton Sweden AB

Revisionsberättelse

Till bolagsstämman i DHG Sweden Holding AB
Org.nr. 559239 - 4661

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för DHG Sweden Holding AB för år 2022.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av DHG Sweden Holding ABs finansiella ställning per den 31 december 2022 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionsred i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till DHG Sweden Holding AB enligt god revisionsred i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. Den upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionsred i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan

finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.



Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för DHG Sweden Holding AB för år 2022 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till DHG Sweden Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att

med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionsmed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionsmed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet.

Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Anmärkning

Årsredovisningen har inte upprättats i sådan tid att det varit möjligt att, enligt aktiebolagslagen 7 kap 10 §, hålla bolagsstämman inom sex månader efter räkenskapsårets utgång.

Göteborg 2023-10-10

Grant Thornton Sweden AB



Magnus Leijon
Auktoriserad revisor

Att denna fotokopia rätt återger
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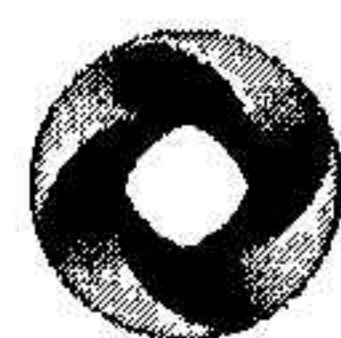
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DHG Holdco S.à r.l.
Société à responsabilité limitée

Consolidated financial statements
as at December 31, 2022

10, rue Henri Schnadt
L - 2350 Luxembourg
R.C.S. Luxembourg: B240691



To the Partners of
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Grant Thornton Luxembourg

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REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the Audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of DHG Holdco S.à r.l. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as of 31 December 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as of 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (the "CSSF"). Our responsibilities under the Law of 23 July 2016 and the ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'Entreprises Agréé" for the Audit of the consolidated financial statements" section of our report. We are also independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Managers is responsible for the other information. The other information comprises the information included in the consolidated management report but does not include the consolidated financial statements and our report of the "Réviseur d'Entreprises Agréé" thereon.

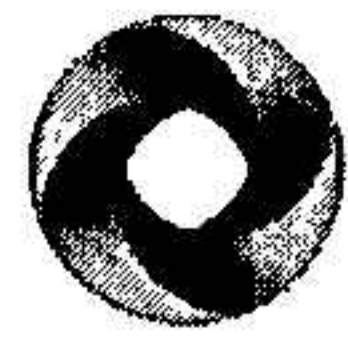
Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Chartered Accountants & Réviseurs d'Entreprises Agréés

Grant Thornton Audit & Assurance

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In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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 this fact. We have nothing to report in this regard.

Responsibilities of the Board of Managers for the consolidated financial statements

The Board of Managers is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Managers determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

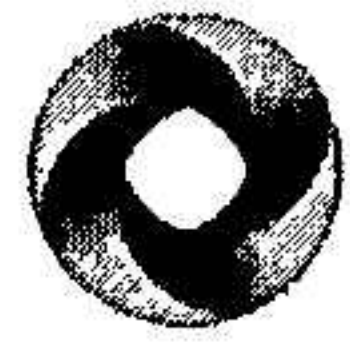
In preparing the consolidated financial statements, the Board of Managers is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "Réviseur d'Entreprises Agréé" for the Audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "Réviseur d'Entreprises Agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 consolidated financial statements.

As part of an audit in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers;
- Conclude on the appropriateness of Board of Managers' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "Réviseur d'Entreprises Agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "Réviseur d'Entreprises Agréé". However, future events or conditions may cause the Group to cease to continue as a going concern;



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

Luxembourg, 27 June 2023

Monika TASI

Monika TASI
Réviseur d'Entreprises Agréé
Grant Thornton Audit & Assurance

DHG Holdco S.à r.l.
R.C.S. Luxembourg: B240691
Consolidated financial statements
as at December 31, 2022

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Management report

Introduction

DHG Holdco S.à r.l (hereafter “the Company”) was incorporated following the acquisition of DHG Bidco Limited (and its subsidiaries) in December 2019 by Archimed. The Company’s financial year starts on 1 January and ends on 31 December of each year.

The Group provides products and services that uniquely enables the healthcare challenges associated with reduced patient movement to be anticipated, managed and in many cases resolved.

Business Review

During the year the Group continued its strategy to be a significant partner for its customers, in delivering harm free patient care, in its core European geographies, which in 2022 involved making two further acquisitions. These acquisitions were identified as being a strategic fit through geographic and product expansion.

On January 31, 2022, the Group acquired Vendlet Group with operations in Denmark and Netherlands. This acquisition is intended to bolster the Group’s presence in both Denmark and the Netherlands and strengthen DHG's position as a leading manufacturer and supplier of pressure care, specialist seating, patient handling and bathroom safety solutions.

On July 5, 2022, the Group acquired the trade and assets of the Raizer product from Liftup A/S. This acquisition will further strengthen the Group’s position as a manufacturer and supplier of patient handling products and compliments well the existing product and service portfolio.

Exceptional costs in the period mainly relate to deal costs associated with acquisitions, alongside the restructuring and integration of the acquisitions.

A key metric that the directors monitor is earnings before interest, taxation, depreciation and amortization (EBITDA). During the year ended December 31, 2022, the EBITDA amounted to £14,866k (2021: £15,443k). Included within the net loss was interest of £16,398k (2021: £12,206k), taxation of £114k (2021: £721k), depreciation of £4,240k (2021: £3,952k), amortization of £7,343k (2021: £5,108k) and exceptional costs of £4,005k (2021: £3,994k) resulting in a net loss for the period of £17,007k (2021: £9,097k). No dividends were declared or paid during the period.

Research and development

The business continues to invest in targeted research and development activities and this continued during the year.

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 main divisions: Pressure Area Care; Specialist Seating; Wheelchair cushions and accessories; rental & service; patient handling and is continually developing new and existing products to meet customer requirements. The Group also has a well-diversified customer portfolio.

Quality risk

The Group 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 the Group engages in customer contracts to enable any sustained increases or decreases in raw material prices to be reflected in customer prices.

Credit risk

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

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Liquidity risk

The directors strictly monitor the financial activities of the Group; unauthorised loans, borrowings and guarantee activities are strictly prohibited unless approved by the board of directors. It is policy to regularly monitor its liquidity requirements of the Group to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer-term.

Interest rate risk

The Groups interest rate risk primarily relates to senior borrowings which are based on Euribor/Sonia plus a margin. The directors monitor the related interest rate risk exposure closely throughout the year in order to minimize interest expenses.

Going concern

Following the acquisition of the Group by Archimed in December 2019, the Group has grown revenues and EBITDA both organically and through acquisitions. The business is well placed to continue to support healthcare providers following the recent pandemic.

With the backing of Archimed, the Group continues to execute on its M&A strategy as noted in the business review. These acquisitions have been part funded through additional equity, but also through senior debt which has a bullet repayment in 2026.

The Group has continued executing its M&A strategy with two further acquisitions during the year. In January 2022, the business acquired the Vendlet Group, located in Denmark and the Netherlands, and completed a trade & asset purchase of the Raizer product in July. These acquisitions are intended to bolster the Group's existing presence in both the UK and European markets, strengthening DHG Group's position as a leading manufacturer and provider of services in pressure area care and patient handling sectors.

In 2022, Management have prepared financial forecasts for a period of greater than 12 months from signing, that show that the business expects to continue to trade profitably and has sufficient working capital to fund this growth. These forecasts also demonstrate that all covenants are expected to be met.

For these reasons, the Directors believe it is appropriate to apply the going concern basis in preparing the financial statements.

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 non-financial KPIs include customer orders satisfied on time and in full ("OTIF") which again consistently exceeded 98% throughout the period, across all product lines. Internal Health & Safety statistics are also monitored with one incident being reported under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 ("RIDDOR").

Strategic objectives

The Group's key strategic objective is to operate as a significant partner for its customers in core European geographies with the delivery of harm-free patient care.

Environment, social and governance policy

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 is certified to Environmental Management System 14001.

Health & safety

The safety and well-being of staff and all visitors to facilities remains a priority for everyone within the business. The Group continues to focus on all aspects of health and safety, with a special emphasis on those areas with the potential to cause serious harm.

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DHG Holdco S.à r.l.
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Employees

The Group remains focused on supporting and developing people through training, communications and engagement. The Group has maintained its Investors In People Gold Certification in the period.


Ethical policy

The Group emphasises 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.

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

The Directors

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Graham Ewart
Manager A

6/27/2023 | 4:08:08 AM PDT

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Pierre Lentz
Manager B

6/27/2023 | 2:36:58 PM CEST

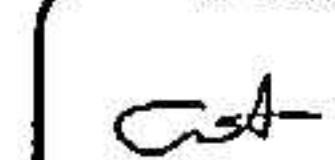
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Consolidated statement of financial position

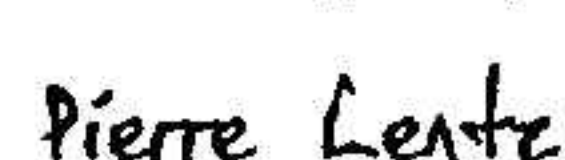
		31-12-22	31-12-21
	Notes	£'000	£'000
Assets			
Non-current assets			
Goodwill	12	70 579	60 295
Property, plant and equipment	10	14 806	12 240
Intangible assets	12	65 527	56 002
Total non-current assets		150 912	128 537
Current assets			
Inventories	13	14 846	10 717
Trade and other receivables	14	17 529	16 436
Cash and cash equivalents		7 548	4 211
Total current assets		39 924	31 364
Total assets		190 836	159 901
Equity and liabilities			
Capital and reserves			
Share capital	21	1 723	1 519
Share premium account	22	2 187	2 187
Treasury shares		(3)	(3)
Currency translation reserves		(383)	(729)
Retained earnings		(35 954)	(18 947)
Total equity		(32 430)	(15 973)
Non-current liabilities			
Lease liabilities	18	6 851	5 892
Deferred tax liability	16	12 542	10 029
Third-party borrowings	19	86 496	66 184
Loans and borrowings	20	100 157	76 103
		206 046	158 208
Current liabilities			
Trade and other payables	17	14 953	14 961
Corporation tax payable		263	788
Lease liabilities	18	2 004	1 917
		17 220	17 665
Total equity and liabilities		190 836	159 901

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The accompanying notes are an integral part of these consolidated financial statements.

DHG Holdco S.à r.l.
R.C.S. Luxembourg: B240691
Consolidated financial statements
as at December 31, 2022

Consolidated statement of comprehensive income

		31-12-22		31-12-21
	Notes	Before amortisation and exceptional items £'000	Amortisation and exceptional items (note 5) £'000	Total £'000
				Total £'000
Revenue	3	89,500	-	89,500
Cost of Sales		(49,769)	-	(49,769)
Gross Profit		39,731	-	39,731
Expenses				
Intangibles Amortisation	12	-	(7 343)	(5 108)
Depreciation	10	-	(4 240)	(3 952)
Administrative expenses	6, 8	(24 865)	(4 005)	(28 870)
Operating profit/(loss)		14 866	(15 588)	(722)
Finance costs	4	(16 398)	-	(16 398)
Profit / (loss) before taxation		(1 532)	(15 588)	(17 120)
Taxation	9	114	-	114
Profit / (loss) for the year/period		(1 419)	(15 588)	(17 007)
Other comprehensive income				
Items that will be reclassified subsequently to profit or loss:				
Exchange difference in translating foreign operations		346	-	346
Other comprehensive loss for the year/period		346	-	(1,097)
Total comprehensive income / (expense)		(1 073)	(15 588)	(16 661)

There was no recognised gain or losses for the year ended 31 December 2022 other than those presented in the statement of comprehensive income.

The accompanying notes are an integral part of these consolidated financial statements.

DHG Holdco S.à r.l.
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Consolidated financial statements
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Consolidated statement of changes in equity

	Called up share capital £'000	Share premium account £'000	Treasury shares £'000	Currency translation reserves £'000	Retained earnings £'000	Total equity £'000
At 1 January 2021	1 280	104	-	368	(9 934)	(8 182)
Shares issued	239	2 083	-	-	-	2 322
Share repurchase	-	-	(3)	-	-	(3)
Other movement	-	-	-	-	84	84
Total transactions with owners	239	2 080	(3)	-	84	2 403
Translation adjustment	-	-	-	(1 097)	-	(1 097)
Net loss for the period	-	-	-	-	(9 097)	(9 097)
Total comprehensive income (loss) for the period	-	-	-	(1 097)	(9 097)	(10 194)
Balance at 31 December 2021	1 519	2 187	(3)	(729)	(18 947)	(15 973)
Balance at 1 January 2022	1 519	2 187	(3)	(729)	(18 947)	(15 973)
Shares issued	204	-	-	-	-	204
Share repurchase	-	-	-	-	-	-
Total transactions with owners	204	-	-	-	-	204
Translation adjustment	-	-	-	346	-	346
Net loss for the year	-	-	-	-	(17 007)	(17 007)
Total comprehensive loss for the year	-	-	-	346	(17 007)	(16 661)
Balance at 31 December 2022	1 723	2 187	(3)	(383)	(35 954)	(32 430)

The accompanying notes are an integral part of these consolidated financial statements.

DHG Holdco S.à r.l.
R.C.S. Luxembourg: B240691
Consolidated financial statements
as at December 31, 2022

Consolidated statement of cash flows

	Note	Group 2022 £'000	Group 2021 £'000
Operating activities			
Net loss for the year		(17 007)	(9 097)
Items not involving cash:			
Amortisation	12	7 343	5 108
Depreciation	10	4 240	3 952
Interest payable	4	16 398	12 206
Corporation tax expense	9	(114)	(721)
Change in inventories		(2 093)	(1 293)
Change in trade and other receivables		(454)	966
Change in trade and other payables		(2 336)	(521)
Tax paid		(1 773)	(633)
Net cash from operating activities		4 204	9 967
Investing activities			
Purchase of intangible assets	12	(1 350)	(4 025)
Purchase of property and equipment	10	(3 154)	(2 727)
Disposals of property and equipment	10	-	1 350
Acquisition of subsidiaries	24	(3 669)	(35 369)
Acquisition of business	24	(18 627)	-
Cash acquired on acquisition		9	292
Net cash used in investing activities		(26 792)	(40 479)
Financing activities			
Issue of ordinary shares		204	239
Issue of share premium		-	2 080
Issue of preference shares		15 790	11 532
Proceeds from loans and borrowings		177	14 000
Repayment of loans and borrowings		(290)	(15 446)
Interests paid on loans and borrowings		(66)	(269)
Proceeds from third-party borrowings		18 787	20 302
Interest paid		(6 379)	(4 736)
(Repayment of)/new lease liabilities		(2 375)	(2 896)
Net cash from financing activities		25 847	24 805
Change in cash during the year		3 259	(5 707)
Exchange adjustment of cash and cash equivalents		78	(313)
Cash and cash equivalents at end of the year		7 548	4 211

The accompanying notes are an integral part of these consolidated financial statements.

DHG Holdco S.à r.l.
R.C.S. Luxembourg: B240691
Consolidated financial statements
as at December 31, 2022

Notes to the consolidated financial statements

1. General information

DGH Holdco S.à r.l. (the “Company”) is a private limited liability company (société à responsabilité limitée) incorporated and existing under the laws of Grand-Duchy of Luxembourg on 4 December 2019 and having its registered office at 10, rue Henri Schnadt, L - 2350 Luxembourg, Luxembourg; registered with the Luxembourg Trade and Companies Register under number B240691.

These consolidated financial statements comprise the Company and its subsidiaries (together referred to as “the Group”).

The principal activity of the Group is the design, manufacture and sale of equipment and accessories used within the medical profession.

The Group's year end is 31 December.

The immediate holding company is MP1 DHG Investment S.à r.l., incorporated in Luxembourg. The ultimate controlling parties are Denis Ribon and Vincent Guillaumot who own and control ArchiMed SAS, an Alternative Investment Fund Manager (AIFM), under the Surveillance of AMF (Autorité des Marchés Financiers), managing Investment Funds where no natural person holds a direct or indirect stake equal or superior to 25% of the funds' share capital and/or votes.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

Basis of preparation

Income and cash flow statement

The Group has elected to present a consolidated statement of comprehensive income and presents its expenses by function.

The Group reports cash flows from operating activities using the indirect method.

Going concern

The management has considered a period of not less than twelve months following the date of signing, and have concluded that, due to the ongoing level of cash consideration, the profitability of the Group and forecasts for the following period, there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Group to continue as a going concern.

IFRS Standards and interpretation

Standards, interpretations and amendments that have been issued and are effective for annual periods beginning on 1 January 2022

There were no new standards or interpretations effective for the first time for periods beginning on or after 1 January 2022 that had a significant effect on the financial statements of the Company.

None of the amendments to Standards listed below that are effective from that date had a significant effect on the financial statements of the Company.

- Amendments to IFRS 3 Business Combination, IAS 16 Property, Plant and Equipment, IAS 37 Provisions, Contingent Liabilities and Contingent Assets, Annual improvements cycle 2018-2020 (effective date 1 January 2022).

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Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group (adopted by IASB and endorsed by EU)

A number of new standards and amendments to standards and interpretations are either not yet effective for financial year beginning on or after 1 January 2022, and have not been applied in preparing these financial statements:

- Amendments to IFRS 17 Insurance contracts: initial application of IFRS17 and IFRS9 – comparative information. Not yet endorsed by the European Union (effective date 1 January 2023).
- Amendments to IFRS 3 Business Combination, IAS 16 Property, Plant and Equipment IAS 37 Provisions, Contingent Liabilities and Contingent Assets, Annual improvements cycle 2018- 2020 (effective date 1 January 2023).
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (effective date 1 January 2023).
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates. Not yet endorsed by the European Union (effective date 1 January 2023).
- Amendments to IAS 12 Income taxes: Deferred Tax related to Assets and Liabilities arising from a single transaction (effective date 1 January 2023).
- Amendments to IFRS 16 Leases: Covid-19 – Related Rent Concessions beyond 30 June 2021 (issued on 31 March 2021).
- Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (issued 23 May 2023).

The Group is currently assessing the impact of these standards, amendments and interpretations on its financial statement but at this stage does not consider that they will have a significant effect save for any disclosure requirements.

Basis of consolidation

Principles

The consolidated financial statements of the Group include its stand-alone annual accounts as well as those of its entities directly or indirectly controlled that are deemed to be material after recognition of non-controlling interests.

Where appropriate, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Consolidation scope

As at December 31, 2022, and December 31, 2021, the consolidated accounts include the Company and the following directly and indirectly owned subsidiaries, all subsidiaries have the same year end:

Company	Location	Principal activity	Consolidation method	Percentage of interest & control 31-12-22	Percentage of interest & control 31-12-21
1 DHG HoldCo S.à r.l (mother company)	Luxembourg	Holding company	Full consolidation	-	-
2 DHG MidCo S.à r.l	Luxembourg	Holding company	Full consolidation	100,00%	100,00%
3 DHG BidCo Limited	United Kingdom	Holding company	Full consolidation	100,00%	100,00%
4 Direct Healthcare Group Holdings Limited	United Kingdom	Holding company	Full consolidation	100,00%	100,00%
5 Direct Healthcare Group Management Limited	United Kingdom	Holding company	Full consolidation	100,00%	100,00%

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	Company	Location	Principal activity	Consolidation method	Percentage of interest & control 31-12-22	Percentage of interest & control 31-12-21
			Dormant			
6	Nightingale Care Beds Limited	United Kingdom		Full consolidation	100,00%	100,00%
7	Poshchair Medical Limited	United Kingdom	Dormant	Full consolidation	100,00%	100,00%
8	The Kirton Healthcare Group Limited	United Kingdom	Dormant	Full consolidation	100,00%	100,00%
9	Handicare Patient Handling Limited	United Kingdom	Sales of medical equipment	Full consolidation	100,00%	100,00%
10	Direct Healthcare Group Limited	United Kingdom	Design and manufacture of equipment to the medical industry	Full consolidation	100,00%	100,00%
11	Direct Healthcare Services Limited	United Kingdom	Dormant	Full consolidation	100,00%	100,00%
12	Direct Healthcare Group Pty Ltd	Australia	Dormant	Full consolidation	100,00%	100,00%
13	Lynch Healthcare Limited	United Kingdom	Manufacture of pressure care, patient handling	Full consolidation	100,00%	100,00%
14	Qbitus Products Limited	United Kingdom	Manufacture of wheelchair and accessories	Full consolidation	100,00%	100,00%
15	DHG Dutch Holding B.V.	Netherland	Holding company	Full consolidation	100,00%	100,00%
16	Direct Healthcare Group B.V.	Netherland	Holding company	Full consolidation	100,00%	100,00%
17	DHG Sweden Holding AB	Sweden	Holding company	Full consolidation	100,00%	100,00%
18	DHG Finland Holdings Oy	Finland	Holding company	Full consolidation	100,00%	100,00%
19	Carital Oy	Finland	Design and manufacture of medical device	Full consolidation	100,00%	100,00%
20	MediMattress Oy	Finland	Supply of patient-safe, researched and functional medical devices for healthcare	Full consolidation	100,00%	100,00%
21	GATE Rehab Development AB	Sweden	Product development, marketing and sale of in-house developed technical aids	Full consolidation	100,00%	100,00%
22	Direct Healthcare Group Sverige AB (previously known as Handicare AB)	Sweden	Sales of healthcare articles	Full consolidation	100,00%	100,00%
23	Direct Healthcare Group Denmark AS(previously known as Handicare A/S)	Denmark	Sales of healthcare articles	Full consolidation	100,00%	100,00%
24	Direct Healthcare Group Norge AS (previously known as Handicare Patient Handling AS)	Norway	Sales of healthcare articles	Full consolidation	100,00%	100,00%
25	C&J Evans Group Holdings 1 Ltd	England	Holding company	Full consolidation	100,00%	100,00%
26	Talley Group Ltd	England	Design and manufacture of medical device	Full consolidation	100,00%	100,00%
27	Global Holding B.V.	Netherlands	Holding company	Full consolidation	100,00%	100,00%

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	Company	Location	Principal activity	Consolidation method	Percentage of interest & control 31-12-22	Percentage of interest & control 31-12-21
28	Falcon B.V.	Netherlands	Holding company	Full consolidation	100,00%	100,00%
29	United Care Products B.V.	Netherlands	Design and manufacture of medical device	Full consolidation	100,00%	100,00%
30	UniQare Quality Slings B.V.	Netherlands	Design and manufacture of medical device	Full consolidation	100,00%	100,00%
31	Vendlet APS	Denmark	Design and manufacture of medical device	Full consolidation	100,00%	-
32	Vendlet BV	Netherlands	Sales of healthcare articles	Full consolidation	100,00%	-

During the year, Vendlet APS and Vendlet BV were merged with two other group entities. Vendlet APS merged with Direct Healthcare Group Denmark AS and Vendlet BV merged with United Care Products B.V.

Inter-company transactions

All inter-company transactions, balances and gains and losses on transactions between Group companies have been eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Translation of foreign subsidiaries

The Group's consolidated financial statements are prepared in pounds (GBP).

The results and financial position of all the Group entities that have a currency different from GBP are translated into GBP as follows:

- assets and liabilities, except for capital and reserves, for each balance sheet items presented are translated at the rate prevailing at balance sheet date;
- capital and reserves are converted at the historical rate of exchange;
- income and expenses for each consolidated profit and loss account are translated at average exchange rates; and
- all resulting exchange differences are recognised as a separate component of equity under the caption "Currency translation reserve". Movements in Currency translation reserve are presented as an item of Other comprehensive income.

Business combination

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement for the period, otherwise, the difference will be recognized as goodwill. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 (2008) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share based payment awards are measured in accordance with IFRS 2 Share Based Payment; and
- assets (or disposal Groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

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Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each consolidated entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in pounds sterling, which is the Group's presentational currency. These financial statements are rounded to the nearest thousand pounds.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing 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 foreign currency transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in currencies other than an entity's functional currency are recognised in the consolidated statement of profit and comprehensive income in Finance costs.

Non-monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined. Where a gain or loss on a non-monetary item is recognized in other comprehensive income the foreign exchange component of that gain or loss is also recognized in other comprehensive income.

Taxation

The income tax expense represents the sum of tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax on temporary differences associated with investments in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided those rates are enacted or substantively enacted by the end of the reporting period. Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

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Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority. Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income, or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes 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.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the standard cost method and reviewed quarterly. Net realisable value represents the estimated cost of completion and costs to sell.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Leases

For any new contracts entered into the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right of use asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the company.
- The company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use.
- The company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentive received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the leases liability at the present value of the lease payments unpaid at that date, discounted using the incremental borrowing rate. The Group has elected to apply a single discount rate to a portfolio of leases with reasonably similar characteristics using practical expedients.

Lease payments included in the measurement of the lease liability are made up of fixed payments, variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

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Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, the right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in lease liabilities.

Right-of-use assets are transferred between Group companies on a nil profit or loss basis.

Intangible assets

Initial recognition of 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 identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. Refer to Note 12 for a description of impairment testing procedures.

Patents

Patents are initially recognized at cost.

Brands, manufacturing know-how and customers lists

Brand names, manufacturing know-how and customer lists acquired in a business combination that qualify for separate recognition are recognized as intangible assets at their fair values.

Internally developed medical technology and apparatus

Expenditure on the research of projects to develop new specialist medical equipment is recognised as an expense as incurred. Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements:

- The development costs can be measured reliably;
- The project is technically and commercially feasible;
- The company intends to and has sufficient resources to complete the project;
- The company has the ability to use or sell the software;
- The specialist medical equipment will generate probable future economic benefits.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Subsequent measurement

All finite-lived intangible assets, including capitalized internally generated development medical technology and apparatus, are accounted for using the cost model whereby capitalized costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing as described in Note 12. The following useful lives are applied:

Patents	- 5 years
Manufacturing know-how	- 10 years
Trademarks	- 25 years
Brands and customer relationships	- 10 to 20 years
Development costs	- 6 years

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Any capitalized internally generated development medical apparatus and technology that is not yet complete is not amortised but is subject to impairment testing.

When an intangible asset is disposed, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognized in profit or loss within other income or expenses.

Property, plant and equipment

Property, plant and equipment 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:

Leasehold improvements	- 3 to 7 years
Plant and machinery	- 3 to 10 years
Motor vehicles	- 4 years
Fixtures and fittings	- 3 years
Right of use assets	- over length of lease
Hire equipment	- 5-10 years

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 profit or loss.

Assets under construction are not depreciated until brought into use. In the case of right-of-use assets, expected useful lives are determined by reference to comparable owned assets or the lease term, if shorter. Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Share capital and share premium

Share capital represents the nominal value of shares that have been issued. Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied stated net of value added taxes. The Group recognises revenue when performance obligations have been satisfied and for the Group this is when the goods (sale of specialist medical equipment) and services (hire, servicing and cleaning of specialist medical equipment) have transferred to the customer and the customer has control of these. The Group's activities are described in detail below. The Group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transactions and the specifics of each arrangement. Discounts and returns are immaterial.

Sale of goods

The Group manufactures and sells a range of specialist medical equipment. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer where the company provides delivery or upon collection by the customer if no delivery is provided. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred and the customer has accepted the products including objective evidence of acceptance.

Hire of equipment

The Group hires out specialist medical equipment. Revenue is recognised on a straight-line basis over the hire period as economic benefits are derived across the life of the rental period. Any hire agreements have been assessed in order to determine whether the contract contains a lease. Given that the Group retains the right to direct how and for what purpose the asset is used throughout the period of use, then these agreements are not considered to contain a lease as defined by IFRS 16 "Leases".

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Servicing

The company provides service, repair and decontamination services. The associated revenue is recognised when the performance obligations associated with the contract are substantially met, which is over the time the service is provided.

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. See Note 5 for further details.

Impairment testing of goodwill, other intangible assets and property, plant and equipment

For the purposes of assessing impairment, assets are Grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are individually tested for impairments and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount which is the higher of fair value less costs of disposal and value-in-use. To determine value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit.

With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

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 profit or loss 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.

Provisions for liabilities

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

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

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

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Financial instruments

Financial assets, loans and receivables

The assets generated from goods or services transferred to customers are presented as either receivables or contract assets, in accordance with IFRS 15. The assessment of impairment of receivables is in accordance with IFRS 9 'Financial Instruments'. The Group does not have any contract assets.

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Group assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics.

All cash flows from customers are solely payments of principal, and do not contain a significant financing component. Financial assets generated from all of the company's revenue streams are therefore initially measured at their fair value, which is considered to be their transaction price (as defined in IFRS 15) and are subsequently remeasured at amortised cost.

Under IFRS 9, the company recognises a loss allowance for expected credit losses (ECL) on financial assets subsequently measured at amortised cost using a the 'simplified approach'. Individually significant balances are reviewed separately for impairment based on credit terms agreed with the customer. Other balances are assessed into credit risk categories and reviewed in aggregate.

Trade receivable and cash at bank and in hand are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables are initially recorded at fair value net of transaction costs, being invoiced amounts less any provisional estimate for impairment necessary due to a loss event. Trade receivables are subsequently remeasured at invoiced value, less an updated provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in the profit and loss account.

Cash and cash equivalents include cash at bank and in hand and bank deposits available with no notice or less than three months' notice from inception that are subject to an insignificant risk of changes in value. Bank overdrafts are presented as current liabilities to the extent that there is no right to offset with cash balances.

Following initial recognition, financial assets are subsequently remeasured at amortised cost using the effective interest method.

Financial liabilities

The Group's financial liabilities are trade and other payables including accrued expenses, third-party borrowings, and amounts owed to related parties.

All interest related charges are recognised as an expense in 'Finance costs' in the statement of comprehensive income.

Borrowings are initially recognised at fair value net of transaction costs. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognised respectively in finance income and finance costs. Borrowing costs are recognised as an expense in the period in which they are incurred.

Trade payables on normal terms are not interest bearing and are stated at their fair value on initial recognition and subsequently at amortised cost.

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Critical accounting estimates and judgements

There are no critical judgements in the preparation of these financial statements. Estimates have been made by management concerning the following:

Incremental borrowing rate applied to right-of-use assets

Determining the incremental borrowing rate applied in calculating lease liabilities under IFRS 16 requires the use of certain methodologies and assumptions. When determining the rate management assess various factors including the lease term, nature of the asset and the level of security for the right of use asset.

The Group applies an incremental borrowing rate in determining the value of the right of use assets. This is based upon a weighted average cost of capital reflecting Group experience of bank and secured finance and has been prepared in accordance with IFRS16.

Impairment of non financial assets

Determining whether intangible assets are impaired requires an estimate of the value in use. The value-in-use calculation involves an estimate of the future cash flows of the respective intangible asset and also the selection of appropriate discount rates to calculate present values. Future cash flows are estimated using the current one-year budget forecast, extrapolated for a future growth rate. The estimated growth rates are based on past experience and knowledge of the individual sector's markets. Changes in estimated growth rate could result in variations to the carrying value of these intangibles.

Impairment of goodwill

When assessing goodwill, management made certain assumptions in respect of future cash flows, namely around the growth rate and the discount rate applied to determine their present value (see Note 12).

Fair value of net assets acquired as part of a business combination

Management uses valuation techniques when determining the fair values of certain assets and liabilities acquired in a business combination. In particular, the fair value of separable intangible assets other than goodwill is dependent on many variables including the future profitability of the acquiree's trade (see Note 23).

3. Revenue

The Group's revenue by destination is as follows (all operations are continuing):

	Pressure area care £'000	Specialist seating £'000	Rental and service £'000	Wheelchair products £'000	Patient handling £'000	Bathroom Safety £'000	Other £'000	Total 2022 £'000	Total 2021 £'000
UK	17 083	3 204	13 817	1 929	8 326	-	188	44,547	39 900
Europe	5 735	253	4 216	-	21 982	4 275	346	36,808	29 615
Rest of the world	3 274	202	26	-	4 075	1	566	8,144	13 461
Consolidated revenue	26 092	3 659	18 060	1 929	34 384	4 275	1 100	89 500	82 976

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4. Finance income and costs

Finance costs for the reporting periods consists of the following:

	Period ended 31 December 2022 £'000	Period ended 31 December 2021 £'000
Interest payable on third-party borrowings and overdrafts	6 303	4 540
Interest payable on loan from Group undertaking	8 447	6 658
Leasing arrangements	249	226
Foreign exchange (gains) and losses	852	274
Other interests	546	508
	16 398	12 206

5. Exceptional items

Exceptional items for the reporting periods consists of the following:

	Period ended 31 December 2022 £'000	Period ended 31 December 2021 £'000
Group professional fees	1 977	1 001
Deal costs on acquisition of subsidiaries	1 070	1 475
Restructuring costs	958	1 518
	4 005	3 994

6. Operating expenses

The operating expenses are detailed in the table as follows:

	Period ended 31 December 2022 £'000	Period ended 31 December 2021 £'000
Employee costs	27 141	24 263
Depreciation expenses	4 240	3 952
Amortisation expenses	7 343	5 108
	38 724	33 323

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7. Auditor's remuneration

Auditor's remunerations are detailed as follows:

	Period ended 31 December 2022 £'000	Period ended 31 December 2021 £'000
Fees payable to the Group's auditors:		
Annual audit – parent company and consolidated financial statements	61	53
Audit of company's subsidiaries pursuant of legislation	246	206
	307	259
Non-audit services	225	292
Total	532	551

8. Staff costs

Group staff costs recognised as an expense, including directors' remuneration, were as follows:

	Period ended 31 December 2022 £'000	Period ended 31 December 2021 £'000
Wages and salaries	23 137	20 509
Social security costs	2 729	2 526
Pension – defined contribution	1 275	1 228
	27 141	24 263

Directors' remuneration disclosures are included in note 25.

The average number of persons, including executive directors, employed by the Group during the period was as follows:

	Period ended 31 December 2022 Number	Period ended 31 December 2021 Number
Manufacturing	220	183
Administration	396	368
	616	551

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9. Taxation

	Period ended 31 December 2022	Period ended 31 December 2021
	£'000	£'000
Current tax:		
Local corporation tax in current period	(1 142)	(675)
Deferred tax income (expense):		
Timing differences	1 256	1 433
Timing differences on business combinations	-	(37)
	1 256	1 396
Tax charge for the period	114	721

Corporate tax is calculated at 19% of the estimated taxable profit for the period, rate applicable in the UK. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The tax charge for the period can be reconciled to the profit per the income statement as follows:

	Period ended 31 December 2022	Period ended 31 December 2021
Profit/ (Loss) before tax	(17 120)	(10 098)
Applicable tax rate	19%	19%
Calculated income tax	3 253	1 919
Tax effect of:		
Difference in overseas tax rate	530	437
Adjustments related to deferred tax	1 256	1 396
Tax exempt income/non-tax deductible expenses	(4 632)	(2 226)
Utilisation of brought forward tax losses	(293)	(803)
Total current tax income/(expense)	114	721

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10. Property, plant and equipment

Details of the Group's tangible fixed assets and their carrying amounts are as follows:

	Leasehold improvements £'000	Assets under construction £'000	Plant and machinery £'000	Motor vehicles £'000	Fixtures & fittings £'000	Right of use assets £'000	Freehold £'000	Total £'000
Cost								
As at 1 January 2022	2 071	134	15 589	977	2 125	10 338	110	31 344
Additions	19	1 926	1 041	-	168	4 301	-	7 455
Arising on acquisition	85	-	372	-	-	60	-	517
Net exchange difference	15	-	92	30	15	123	-	272
Disposals	(54)	-	(590)	(80)	(1)	(2 496)	-	(3 221)
Transfers between classes	-	-	-	-	-	-	-	-
As at 31 December 2022	2 136	2 060	16 504	927	2 307	12 326	110	36 370
Depreciation								
As at 1 January 2022	1 440	-	12 141	763	1 478	3 192	92	19 105
Charge for the year	213	-	1 256	78	256	2 437	-	4 240
Net exchange difference	90	-	50	22	7	(8)	-	161
Arising on acquisition	5	-	283	-	-	-	-	288
Disposals	(54)	-	(496)	(80)	(1)	(1 599)	-	(2 230)
As at 31 December 2022	1 694	-	13 234	783	1 739	4 022	92	21 564
Net book value								
As at 1 January 2022	631	134	3 449	214	647	7 146	18	12 240
As at 31 December 2022	442	2 060	3 270	144	568	8 301	18	14 806

During the period, the Group held equipment with a carrying value of £101k (2021: £121k), which were financed by finance leases and secured by the lessor's title to the leased assets.

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11. Leases

As of December 31, 2022, the net book value of right of use assets amounts to £ 8 302k (2021: £ 7 147k).

	Property	Motor vehicles	Other	Total
	£'000	£'000	£'000	£'000
As at 1 January 2022	6 102	961	84	7 147
Additions	3 684	617	0	4 301
Acquisitions of subsidiaries	49	12	0	61
Disposals	(2 175)	(322)	0	(2 497)
Depreciation charge	(1 529)	(884)	(24)	(2 437)
Eliminated on disposal	1 277	322	0	1 599
Net exchange difference	123	5	0	128
As at 31 December 2022	7 531	711	60	8 302

Lease liability in the balance sheet at 31 December	2022	2021
	£'000	£'000
Current	2 003	2 291
Non-current	6 851	5 518
As at 31 December	8 855	7 809

Amounts charged in the statement of income	2022	2021
	£'000	£'000
Depreciation charge on right of use assets	2 437	1 816
Interest on lease liabilities	249	226
As at 31 December	2 686	2 042

Cash outflow	2022	2021
	£'000	£'000
Total cash outflow for leases	2 375	2 896

Expenses recognised in relation to low-value and short-term leases are considered highly immaterial to these consolidated financial statements.

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12. Intangible assets

Details of the Group's intangible fixed assets and their carrying amounts are as follows:

	Patents	Development costs	Manufacturing know-how	Brands and customer list	Goodwill	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
As at 1 January 2022	547	2 593	621	56 853	60 397	5 720	126 731
Arising from acquisitions	-	612	-	-	-	23	635
Arising from business combinations	-	-	-	14 825	9 737	-	24 562
Additions	40	126	5 898	-	-	589	6 653
Disposals	(60)	(352)	-	-	-	(5 708)	(6 120)
Net exchange differences	(2)	(67)	(5)	548	544	47	1 064
As at 31 December 2022	525	2 912	6 514	72 226	70 678	671	153 526
Accumulated Amortisation and Impairment							
As at 1 January 2022	297	2 218	216	7 599	102	-	10 432
Arising from acquisitions	-	142	-	-	-	-	142
Charge for the year	5	383	1 310	5 645	-	-	7 343
Disposal	(60)	(352)	-	-	-	-	(412)
Net exchange differences	(2)	(15)	-	(65)	(3)	-	(85)
As at 31 December 2022	240	2 376	1 526	13 179	99	-	17 420
Net book value							
As at 1 January 2022	250	375	405	49 254	60 295	720	116 299
As at 31 December 2022	285	536	988	4	59 047	671	136 106

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Goodwill impairment testing

For the purpose of annual impairment testing, goodwill is compared to its recoverable amount. The Group has determined that a cash generating unit is created upon every acquisition.

	2022
	£'000
Direct Healthcare Group UK	32 800
Talley Group Limited	11 105
Handicare entities	9 331
	53 236

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

Direct Healthcare Group UK

The recoverable amount of Direct Healthcare Group UK as a cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a three-year period and a post-tax discount rate of 10.76% per cent per annum calculated by WACC.

The key assumptions used by management in setting the financial budgets for the initial three-year period were as follows:

Forecast sales growth rates.

Forecast sales growth rates are based on past experience adjusted for full year impact of the Raizer acquisition and inflationary price increases.

Operating profits

Operating profits are forecast based on historical experience of operating margins, adjusted for the impact for the full year impact of the Raizer acquisition and inflation.

Cash conversion

Cash conversion is the ratio of operating cash flow to operating profit. Management forecasts cash conversion rates based on historical experience. Cash flows beyond that three-year period have been extrapolated using a steady 3 per cent per annum growth rate.

Talley Group Limited

The recoverable amount of Talley Group Limited as a cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a three-year period and a post-tax discount rate of 10.76% per cent per annum calculated by WACC.

The key assumptions used by management in setting the financial budgets for the initial three-year period were as follows:

Forecast sales growth rates

Forecast sales growth rates are based on past experience adjusted for full year impact of the Raizer acquisition and inflationary price increases.

Operating profits

Operating profits are forecast based on historical experience of operating margins, adjusted for the impact for the full year impact of the Raizer acquisition and inflation.

Cash conversion

Cash conversion is the ratio of operating cash flow to operating profit. Management forecasts cash conversion rates based on historical experience. Cash flows beyond that three-year period have been extrapolated using a steady 3 per cent per annum growth rate.

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Handicare entities

The recoverable amount of Handicare entities as a cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a three-year period and a post-tax discount rate of 8.42% per cent per annum calculated by WACC.

The key assumptions used by management in setting the financial budgets for the initial three-year period were as follows:

Forecast sales growth rates

Forecast sales growth rates are based on past experience adjusted for full year impact of the Raizer acquisition and inflationary price increases.

Operating profits

Operating profits are forecast based on historical experience of operating margins, adjusted for the impact for the full year impact of the Raizer acquisition and inflation.

Cash conversion

Cash conversion is the ratio of operating cash flow to operating profit. Management forecasts cash conversion rates based on historical experience. Cash flows beyond that three-year period have been extrapolated using a steady 3 per cent per annum growth rate.

The remaining cash generating units are deemed immaterial for this disclosure.

The calculations for each cash generating unit result in significant headroom between the value in use and carrying value of the assets in question. This indicates no impairment is deemed necessary.

The directors believe that any reasonably possible change in key assumptions, namely discount rate and growth rate, upon which the recoverable amount is based would not cause the aggregate carrying value of each cash generating unit to exceed the aggregate recoverable amount of each cash generating unit.

Intangibles other than goodwill

Development expenditure is internally generated and relates to the development of specialist medical equipment. Amortisation will commence once the development is complete over its expected useful economic life of 6 years. All other intangibles and goodwill are separately acquired. Research and development costs of £395k (£178k in 2021) were recognized as other expenses.

Amortisation of intangible assets is included within the intangibles amortization expense in the consolidated statement of comprehensive income.

13. Inventories

Inventories consist of the following:

	2022	2021
	£'000	£'000
Raw materials and consumables	7 232	5 467
Work in progress	145	55
Finished goods	7 469	5 195
	14 846	10 717

During the period, inventories of £33 519k (2021: £30 344k) was recognised as an expense during the year and included in cost of sales.

In addition, inventories have been reduced by £651k (2021: £132k) as a result of the write-down to net realizable value. This write down was recognised as an expense during the year.

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14. Trade and other receivables

The detail of trade and other receivables of the Group for the year ended 31 December is as follows:

	2022	2021
	£'000	£'000
Trade receivables	15 401	14 800
Other receivables	495	424
Prepayments	1 633	1 212
	17 529	16 436

	2022	2021
	£'000	£'000
Trade receivables	15 510	14 930
Allowance for credit losses	(109)	(130)
	15 401	14 800

All amounts are short-term and generally due for payment in 30 days. The net carrying value of the trade receivables approximate its fair value.

15. Capital commitments

Capital commitments which were authorised and contracted for at the year-end were £118k (2021: £0k).

16. Deferred tax

No deferred tax assets have been recognised during the year.

The following deferred taxes exists:

	Temporary differences	Intangible assets	Total
	£'000	£'000	£'000
As at 31 December 2021	556	(10 586)	(10 030)
Deferred tax recognised on acquisition	(89)	(3 679)	(3 768)
(Charge)/credit to income	-	1 256	1 256
	467	(13 009)	(12 542)

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17. Current trade and other payables

The detail of trade and other payables of the Group for the year ended 31 December 2022 and 31 December 2021 is as follows:

	2022	2021
	£'000	£'000
Trade payables	6 179	7 829
Other taxation and social security	3 074	1 888
Other creditors	84	27
Accruals and deferred income	5 021	5 216
Contingent consideration	594	-
	14 953	14 960

The contingent consideration relates to the acquisition of the Raizer product line in July 22. The conditions were met for the consideration to be recognized on the balance sheet as at December 31, 2022.

18. Lease liabilities

	2022	2021
	£'000	£'000
Within one year	2 003	2 291
In the second to fifth years inclusive	6 851	5 518
More than five years	-	-
	8 855	7 809

19. Third-party borrowings

The detail of third-party borrowings of the Group for the year ended 31 December 2022 and 31 December 2021 is as follows:

	2022	2021
	£'000	£'000
Interest-bearing borrowings	86 496	66 184
	86 496	66 184

On 20 June 2020, the Group entered into a credit facility with Muzinich Pan-European Private Debt Luxco S.à r.l. and Muzinich Firstlight Middle Market Luxco S.à r.l and drew down £42 098k. On 27 October 2020, the Group drew down on £6,352k as part of the acquisition of the Carital Group. On 16 March 2021, the Group drew down on £20,716k as part of the acquisition of both Talley Group and the United Care Group. On 5 July 2022, the Group drew down on a further £19,061k as part of the asset purchase of the Raizer product line.

A floating charge remains granted over all the assets within the Group. The interest rate charge is a variable rate, depending on the level of gearing, at a rate above libor/sonia. For the year ended 31 December 2022, this amounted to 7.29% (2021: 7.06%). This is repayable in full by 8 June 2026. Included in the Third-party borrowings balance is a capitalised loan arrangement fee of £2,031k (FY21: £2,003k) which is being amortised over the period of the facility

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20. Loans and borrowings

The detail of loans and borrowings of the Group for the year ended 31 December 2022 is as follows:

	2022	2021
	£'000	£'000
<i>Non-current liabilities</i>		
Loan notes	3 986	4 099
Interest on loan notes	1 244	836
Preferred corporate units	75 937	60 147
Accrued interests on preferred corporate units	18 990	11 021
	100 157	76 103

Preferred corporate units

Preferred corporate units are redeemable 10 years after issuance are classified as financial liabilities and are presented in Borrowings in line with IAS 32 and IFRS 9. The 10% cumulative dividends on these preferred corporate units are recognised as interest expense within finance costs, for disclosure refer to Note 4.

The movement of the year of the preferred corporate units is as follows:

	2022	2021
	£'000	£'000
Preferred corporate units		
Balance at the beginning of the period	71 168	53 402
Additions	15 790	11 532
Redemption	-	-
Accumulated interest	7 969	6 234
Interest paid	-	-
	94 927	71 168

Loan note

As at December 31, 2022 and 2021, non-current loans and borrowings are also in relation with loan notes of the Company to its shareholders:

Amount subscribed by the Company as at 31 December 2022 £'000	Redemption date Interest rate	Interest rate (fixed)	Interest payment Date	Accrued interests as at December 31, 2022 £'000
3 986	06-12-2029	10%	31-Dec	1 244
Amount subscribed by the Company as at 31 December 2021 £'000	Redemption date Interest rate	Interest rate (fixed)	Interest payment Date	Accrued interests as at December 31, 2021 £'000
4 099	06-12-2029	10%	31-Dec	836

The carrying value of loans and borrowings classified as financial liabilities measured at amortised cost approximates fair value.

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21. Share capital

As at 31 December 2022, the subscribed and issued share capital of the Company is as follows:

	31-12-2022		31-12-2021	
	Ordinary Corporate Units		Ordinary Corporate Units	
	Class A	Class B	Class A	Class B
Number of shares	156 493 207	15 840 666	136 034 548	15 840 666
Nominal value/Par value of shares	0,01	0,01	0,01	0,01
Share capital issued (£'000)	1 565	158	1 360	158
			2022	2021
<u>Shares issued and fully paid:</u>			£'000	£'000
Beginning of the year			1 519	1 280
Shares issue			204	239
Shares issued and fully paid			1 723	1 519

The Company was incorporated on December 4, 2019 and on that date issued 30 000 ordinary shares at par value of £1.00 to the shareholders. On December 6, 2019, the shareholders resolved to decrease the nominal value of the existing shares of the company from £1 to £0.01, and to convert the then existing 30,000 ordinary shares into 3,000,000 ordinary shares.

On December 27, 2019, a further 94 000 000 share were issued at par value.

On 3 June 2020, a further 22 605 440 shares were issued to the shareholders for a consideration of £330k thereby generating a share premium of £104k. On 20 July 2020, an additional 5 219 022 shares were issued at par value.

On November 11, 2020, a further 3 173 511 shares were issued to the shareholders at par value.

On March 31, 2021 the Company decided to issue 23 877 241 A shares to the shareholders at par value with a share premium.

On January 26, 2022, the Company issued 16 930 161 A shares to the shareholders at par value.

On April 19, 2022 the Company issued a further 407 602 A shares to the shareholders at par value.

On July 6, 2022, the Company issued 3 120 898 A shares to the shareholders at par value.

The Investment Agreement states that each A ordinary shareholder has the right to attend, speak and vote at general meetings of the Company.

The Investment Agreement states that each B ordinary shareholder has the right to attend general meetings of the Company but shall each waive their voting rights for an indefinite period of time.

The authorized capital of the Company is set at £78 309 534 consisting of 7 830 953 421 corporate units of any class with a nominal value of GBP 0.01 each.

Per the articles, the balance of net profit may be distributed to the shareholders subject to Clause 12 of the Investment Agreement.

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22. Share premium

Share premium represents the excess of contributions received over the nominal value of shares issued. As of December 31, 2022, the share premium amounts to £2 185k (2021: £2 185k).

23. Financial instruments

Capital management

The Group's objectives in managing capital are to ensure sufficient liquidity to pursue its strategy of organic growth to provide returns to its shareholders. The Group defines the capital it manages as the aggregate of its equity, which comprises share capital, contributed surplus, deficit, accumulated other comprehensive income and preference shares (including senior preference shares).

The Group is bound to be compliant with the financial ratio covenant imposed by a third-party lender, where a maximum ratio for Net debt/Adjusted EBITDA is set quarterly in accordance with the credit facility agreement it entered into (note 19). Management accordingly manages the level of its external debt relative to the total capital structure for purposes of complying with the set covenant.

Categories of financial instruments

	2022	2021
	£'000	£'000
Financial assets at amortised cost:		
Trade and other receivables (excluding prepayments)	15 896	15 224
Cash and cash equivalents	7 548	4 211
	<u>23 444</u>	<u>19 435</u>
Financial liabilities at amortised cost:		
Trade payables	6 179	7 829
Loans and borrowings	86 496	76 103
Third-party borrowings and accrued interest	100 157	66 184
Other payables/contingent consideration	678	27
Lease liabilities	8 855	7 809
	<u>202 365</u>	<u>157 952</u>

The carrying amounts of accounts receivable, accounts payable and certain accrued liabilities, all of which are financial instruments, are considered to approximate the fair value of these items due to the short-term nature of the amounts involved.

Financial risk management objectives

The Group's Finance function is responsible for all aspects of corporate treasury. It co-ordinates access to financial markets, monitors and manages the financial risks relating to the operations of the Group through internal reports which analyse exposures by degree and magnitude. The risks reviewed include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

Market risk

Market risk is the risk changes in market prices, such as fluctuations in foreign exchange rates and interest rates, affect the Group's earnings or the value of its financial instruments. The Group's financial instruments do include senior debt which is based on SONIA/EURIBOR plus a margin depending on the level of gearing, as such subject to market risk which management continually monitor.

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The sensitivity analyses below have been determined based on the exposure to interest rates on the third party borrowings at the reporting date.

If interest rates had been 2 per cent higher and all other variables were held constant, the Group's pre-tax profit for the year ended 31 December 2022 would decrease by £1,732k.

If interest rates had been 5 per cent higher and all other variables were held constant, the Group's pre-tax profit for the year ended 31 December 2022 would decrease by £4,327k.

The Group's sensitivity to interest rates is continuously monitored by the Group's Finance function.

Concentration risk

The Group's financial instruments are exposed to certain risks and concentrations. The concentration of credit risk on accounts receivable relates to a small number of large customer balances owing at any time. As at December 31, 2022 no one customer represented approximately at least 4% of the total accounts receivable.

Foreign exchange risk

The Group is exposed to the following currency risk on its net investment in self-sustaining operations as at December 31, 2022 and 2021:

	Net assets held in foreign currencies	
	2022	2021
	£'000	£'000
Receivables in EUR	2 542	2 833
Payables in EUR	(34 470)	(28 013)
Receivables in SEK	2 938	3 242
Payables in SEK	(3 023)	(4 711)
Receivables in USD	-	-
Payables in USD	-	-
Receivables in DKK	757	294
Payables in DKK	(689)	(224)
Receivables in NOK	93	138
Payables in NOK	(9)	(155)
Payables in NZD	-	-
	(31 860)	(26 596)

Foreign currency sensitivity analysis

A five pence reduction in the foreign exchange translation rate of pounds sterling to the above currencies would impact other comprehensive income (on a pre-tax basis) by an immaterial amount, less than £1,667k (2021: £1,435k). Management continually monitor the foreign currency exposure.

Credit risk management

Credit risk represents the financial loss the Group would experience if a counter-party to a financial instrument, in which the Group has an amount owing from the counterparty, failed to meet its obligations in accordance with the terms and conditions of its contracts with the Group.

The Group's credit risk is primarily attributable to its accounts receivable as cash balances are deposited with reputable financial institutions. The Group performs ongoing credit evaluations of new and existing customers' financial condition and reviews the collectability of accounts receivable in order to mitigate any possible credit losses. The accounts receivable amounts disclosed in the financial statements are net of allowances for doubtful accounts, estimated by the Group's management based on prior experience and their assessment of the current economic environment.

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Liquidity risk management

Liquidity risk is the risk the Group will encounter difficulty in meeting obligations associated with financial liabilities. The Group manages liquidity risk through the management of its capital structure as outlined above. All accounts payable and certain accrued liabilities, which are financial instruments, are due in 2022 and the required contractual cash flows approximate the carrying amount of these financial liabilities.

The following are the contractual maturities of financial liabilities, including estimated interest payments as at 31 December 2022. The amounts are gross and undiscounted:

£'000	Less than 1 year	From 1 to 5 years	Over 5 years	TOTAL
Trade and other payables	14 953	-	-	14 953
Third-party borrowings	-	86 496	-	86 496
Loans and borrowings	-	-	100 157	100 157
Lease liabilities	2 003	6 851	-	8 855
Total	16 956	93 347	100 157	210 461

The following are the contractual maturities of financial liabilities, including estimated interest payments as at 31 December 2021. The amounts are gross and undiscounted:

£'000	Less than 1 year	From 1 to 5 years	Over 5 years	TOTAL
Trade and other payables	14 960	-	-	14 960
Third-party borrowings	-	66 184	-	66 184
Loans and borrowings	-	-	76 103	76 103
Lease liabilities	813	1 351	-	2 164
Total	15 773	64 535	76 103	159 411

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24. Business combination

Acquisition of Vendlet Group

On January 31, 2022, the Group acquired Vendlet Group with operations in Denmark and Netherlands. This acquisition is intended to bolster the Groups existing presence in both Denmark and the Netherlands and strengthen DHG's position as a leading manufacturer of pressure care, specialist seating, patient handling, and bathroom safety solutions

Recognised amounts of identifiable assets acquired and liabilities assumed:

	Book value £'000	Fair value adjustment £'000	Fair value £'000
Tangible fixed assets	139	-	139
Intangible assets	458	3 266	3 724
	<u>597</u>	<u>3 266</u>	<u>3 863</u>
Financial assets			
Inventory	729	-	729
Receivables	550	-	550
Cash	9	-	9
	<u>1 885</u>	<u>3 266</u>	<u>5 151</u>
Financial liabilities			
Payables	(1 382)	-	(1 382)
Corporation tax	(24)	-	(24)
VAT	(266)	-	(266)
Finance leases	(5)	-	(5)
Total liabilities	<u>(1 677)</u>	<u>-</u>	<u>(1 677)</u>
Other non-financial liabilities			
Deferred tax on intangible assets	-	(733)	(733)
Fair value of net assets acquired	<u>208</u>	<u>2 533</u>	<u>2 741</u>
Goodwill			928
Fair value of cash consideration transferred			3 669

The components of goodwill are considered to relate to assembled workforce; arbitrage and manufacturing know-how.

The Vendlet Group contributed £3,190k of revenue to the Group's result for the period between the date of acquisition and the reporting date.

If the acquisition of the Vendlet Group had been completed on the first day of the financial year, Group revenues for the year would have been £3,416k.

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Acquisition of the Raizer business

On July 5, 2022, the Group acquired the trade and assets of the Raizer product. This purchase is intended to bolster the Groups existing position as a leading manufacturer and provider of services in the patient handling sector.

	Book value £'000	Fair value adjustment £'000	Fair value £'000
Tangible fixed assets	68	-	68
Intangible assets	-	12 339	12 339
	68	12 339	12 408
Financial assets			
Inventory	1 180	-	1 180
Total Assets	1 248	12 339	13 587
Other non-financial liabilities			
Deferred tax on intangible assets	-	(3 085)	(3 085)
Fair value of net assets acquired	1 248	9 254	10 503
Goodwill			8 718
Fair value of cash consideration transferred			19 221

The components of goodwill are considered to relate to arbitrage and manufacturing know-how.

The initial accounting for the business combination of Raizer has only been provisionally determined at the end of the reporting period. At the date of finalisation of these consolidated financial statements, the necessary market valuations and other calculations had not been finalised and they have therefore only been provisionally determined based on the directors' best estimate.

As at December 31, 2022 £594k was recognised on the balance sheet as contingent consideration as the conditions were met for recognition. This was paid in January 2023.

The Raizer business contributed £979k of revenue to the Group's result for the period between the date of acquisition and the reporting date.

If the acquisition of the Raizer business had been completed on the first day of the financial year, Group revenues for the year would have been £7 305k.

25. Related party transactions

A. Parent entities

The immediate holding company of DHG Holdco S.à r.l. is MP1 DHG Investment S.à r.l, a company incorporated in Luxembourg. The ultimate controlling parties are Denis Ribon and Vincent Guillaumot who own and control ArchiMed SAS, an Alternative Investment Fund Manager (AIFM), under the Surveillance of AMF (Autorité des Marchés Financiers), managing Investment Funds where no natural person holds a direct or indirect stake equal or superior to 25% of the funds' share capital and/or votes.

B. Subsidiaries

Interests in subsidiaries are set out in note 2.

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C. Key management personal compensation

	2022	2021
	£'000	£'000
Directors' emoluments	2 591	2 463
Pension	165	244
	<u>2 756</u>	<u>2 707</u>

No other advances, credits or guarantees have been entered into with any of the Directors of the Group.

Balances and transactions between the parent company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

D. Transaction with other related parties

The following transactions occurred with related parties:

Transaction with other related parties

	2022	2021
	£'000	£'000
Finance costs	(7 970)	(6 759)
	<u>(7 970)</u>	<u>(6 759)</u>

E. Outstanding balances arising from sales/purchases of goods and services

No outstanding balances with related parties arising from sale/purchases of goods exists at the end of the reporting period.

F. Loans to/from related parties

Loans to/from related parties

	2022	2021
	£'000	£'000
Loans from parent entity	(100 157)	(76 103)
	<u>(100 157)</u>	<u>(76 103)</u>

26. Subsequent events

There were no material events after the reporting period, which affect the financial statements as at 31 December 2022.