

**Millbrook Healthcare Midco Limited**  
**Annual Report and Financial Statements**  
**Year Ended**  
**30 June 2022**

**Company Number 11935896**

# Millbrook Healthcare Midco Limited

## Company Information

<b>Directors</b>	M Kerins A J Crawshaw C J Atkins L Davies
<b>Registered number</b>	11935896
<b>Registered office</b>	Nutsey Lane South Hampshire Industrial Park Totton Southampton Hampshire SO40 SXJ
<b>Independent auditor</b>	BDO LLP Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL

# Millbrook Healthcare Midco Limited

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# Millbrook Healthcare Midco Limited

## Strategic Report For the Year Ended 30 June 2022

The directors present their strategic report together with the audited financial statements for the year ended 30 June 2022.

### Principal activity, review of business and future developments

The company's principal activity is that of an investment holding and management company to enhance the health and well-being of communities by the provision of exceptional service and solutions. The principal activities of the group are the operation of integrated community equipment services (ICES), wheelchair services, home improvement agency and technology enabled care contracts for various local authorities and NHS Commissioning Groups in the UK, the manufacture of orthopaedic postural seating and the provision of mobility, pressure care and aids to improve daily living.

The group performed in line with expectations. The business continues to bid for suitable new contracts and will seek to retain those contracts that are time expired, provided the contracts support a sustainable financial return. In the year to June 2022 there was significant levels of capital expenditure, primarily on operating systems and new motor vehicles to improve the quality of its service to both commissioners and service user customers. This marks the last year of higher rates of capital expenditure and a return to lower capital expenditure levels is expected in future periods.

The directors are anticipating continued growth in both revenues and EBITDA for the forthcoming year and are confident of their planning and resource allocation to best deal with shortages of skilled labour and supply chain issues, partly due to post-pandemic economic conditions

### Review of financial position

As at 30 June 2022, the company had net liabilities totalling £4.5m (2021 – net liabilities of £1.4m)

As at 30 June 2022, the group of which the company is a subsidiary, had total assets less current liabilities totalling £56.2m (2021 - £58.8m) and net liabilities totalling £11.3m (2021 - £6.0m). Group closing cash balances were £9.0m (2021 - £13.8m), whilst reported net debt stood at £62.7m (2021 - £55.0m).

The group complied and continues to comply with the banking covenants set out in its Senior Facilities Agreement and has support from its Senior Lenders and Shareholders.

### Key performance indicators

The group for which the company is an intermediate holding company, has a number of performance indicators which the board monitors periodically. The Key performance indicators are turnover and EBITDA (being defined as operating profit, with depreciation and amortisation added back) and these are detailed within the financial statements for Millbrook Healthcare Holdings Limited (formerly Cairngorm Acquisitions 9 Topco Limited), the ultimate parent undertaking.

The Board also monitors other non-financial indicators which include employee turnover, equality, diversity, clinical, operational governance and the health and safety environment

### Principal risks and uncertainties

The management of the business and the execution of the group's strategy remains subject to a number of external risks; these risks are regularly reviewed by the board and where appropriate, monitored and mitigated by suitable processes. Principal risks identified by the Board are set out below

#### Inflation

The relatively higher rates of inflation being experienced in the UK have the potential to reduce trading margins if the group does not secure matching price increases from its customers. Increases to the statutory minimum wage, which apply to some of our colleagues, further increases inflationary pressures. In mitigation, the group

# Millbrook Healthcare Midco Limited

## Strategic Report For the Year Ended 30 June 2022

actively discusses these pressures with its customers in securing matching price increases for its services. Current economic forecasts expect these inflationary pressures to fall away over 2023.

### Safeguarding

The group provides critical services to vulnerable people. A failure in safeguarding could not only be harmful for the people affected, but it could also, for the Group, lead to loss of reputation and contracted work along with financial penalties and fines. Appropriate standards of service and a focus on keeping people safe is of the highest priority. The corporate governance function maintains a focus on upholding standards, undertaking audit visits and regular reporting on governance KPIs.

### Liquidity

The group benefits from financing from both third-party lenders and shareholder loans. There is a risk that the group fails the associated covenant tests or is unable to service the debt interest. The group maintains detailed short term and long-term cash forecasts to ensure there is sufficient liquidity to mitigate this risk. The Group financial forecasts show a good level of headroom against the banking covenant tests.

### Interest rate risk

The group finances its operations through a mixture of retained profits, bank borrowings and loan notes. The interest rate exposure of the financial assets and liabilities of the group as at 30 June 2022 is shown within the notes to the accounts. The statement of financial position includes trade debtors and creditors which do not attract interest and are therefore not subject to interest rate risk.

## **Promoting the success of the Group for the benefit of all stakeholders**

Corporate governance for all companies within Millbrook Healthcare provides a framework for the company to not only demonstrate how the board makes decisions for the long-term success of the company and its stakeholders, but also has regard to how the board ensures the company complies with the requirements of Section 172 of the Companies Act 2016

The board considers the interests of all stakeholders at its regular board meetings and ensures that all stakeholders' interests are considered when taking decisions. The Board recognises that stakeholders include shareholders, customers, suppliers, employees and the communities in which the business operates.

The board looks to foster strong relationships across its customer and supplier community through active engagement with regular and open communication.

The group recognises the importance of engaging employees to help them make their fullest contribution to the business, which is fundamental to achieving the group's strategy and long term objectives. Millbrook Healthcare group uses a variety of media to inform employees about business development and prospects and seeks and listens to employees' views and opinions. We have recently implemented an employee pulse survey platform so that the executive team receives regular and direct feedback from colleagues all across the business.

Regular Toolbox talks are used to reinforce safety basics, focus on high risk scenarios, keep health and safety knowledge refreshed, stay up to date and continually grow and develop a positive health and safety culture. The board receives a regular update on accidents and near misses and promotes accident prevention and encourages reporting across the whole business.

The group remains committed to improving the skills of employees through training and development and through nurturing a culture in which employees feel valued for their contribution and motivated to achieve their full potential.

Applicants for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitude and abilities.

# Millbrook Healthcare Midco Limited

## Strategic Report For the Year Ended 30 June 2022

This report was approved by the board on 31 March 2023 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'A J Crawshaw'.

**A J Crawshaw**  
Director

# Millbrook Healthcare Midco Limited

## Directors' Report For the Year Ended 30 June 2022

The directors present their report together with the audited financial statements for the year ended 30 June 2022.

### Results and dividends

The loss for the year after taxation, amounted to £3,083k (2021 - profit of £2,160k).

During the year, dividends totalling £Nil (2021 - £362k) were paid.

### Directors

The directors who served during the year were:

M Kerins  
P J Campling (resigned 26 January 2023)  
M D Killick (resigned 20 May 2022)

The following director was appointed after the year end:

A J Crawshaw (appointed 4 August 2022)  
C J Atkins (appointed 23 January 2023)  
L Davies (appointed 23 January 2023)

### Financial instruments

The group uses financial instruments comprising cash, bank borrowings, loan notes, and items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to finance the group's operations. The vast majority of the group's business is conducted in £ Sterling. Where transactions are conducted in alternative currencies the risk attached to this will be assessed by the CFO, on an individual basis, and appropriate action taken.

The group's credit risk is primarily attributable to its UK trade debtors. Credit risk is managed by running credit checks on new customers and by monitoring payments against contractual agreements.

### Going concern

In early 2023, the group finalised a new business plan with updated financial forecasts for more than 12 months from the date of approval of these financial statements. These forecasts show the group is expected to be able to meet its liabilities as they fall due, along with strong cash generation and a good level of headroom against the group's banking covenant tests, in both the planned and downside scenarios.

The Directors are confident of being able to trade for a period of at least 12 months from the date of approval of these financial statements and the Directors have therefore concluded that it is appropriate for the financial statements to be prepared on a going concern basis.

### Streamlined Energy and Carbon Reporting (SECR)

The 2018 regulations introduced requirements under part 15 of the Companies Act 2006 for large unquoted companies to disclose their annual energy use and greenhouse gas emissions, and related information. The company qualifies as small sized and therefore it is not required to make the detailed disclosures of the energy and carbon information.

# Millbrook Healthcare Midco Limited

## Directors' Report (continued) For the Year Ended 30 June 2022

### Post balance sheet events

There have been no significant events affecting the company since the year end.

### Matters covered by the Strategic Report

Some of the company's analysis of principal risks, business management and futures development of the business are set out in the strategic report.

### Qualifying third party indemnity provisions

The group has made qualifying third party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this report.

### Disclosure of information to auditor

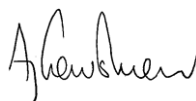
Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

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

### Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 31 March 2023 and signed on its behalf.



**A J Crawshaw**  
Director



# **Millbrook Healthcare Midco Limited**

## **Directors' Responsibilities Statement For the Year Ended 30 June 2022**

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

# Millbrook Healthcare Midco Limited

## Independent Auditor's Report to the Members of Millbrook Healthcare Midco Limited

### Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Millbrook Healthcare Midco Limited ("the company") for the year ended 30 June 2022 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

### Basis for opinion

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

### *Independence*

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

### Conclusions relating to going concern

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

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

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

# Millbrook Healthcare Midco Limited

## Independent Auditor's Report to the Members of Millbrook Healthcare Midco Limited (continued)

### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

### Other Companies Act 2006 reporting

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

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

# Millbrook Healthcare Midco Limited

## Independent Auditor's Report to the Members of Millbrook Healthcare Midco Limited (continued)

### Auditor's responsibilities for the audit of the financial statements

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

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

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

- Discussions with management regarding known or suspected instances of non-compliance with laws and regulations;
- Evaluation of controls designed to prevent and detect irregularities; and
- Assessing journal entries as part of our planned audit approach.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
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**James Newman** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Southampton  
United Kingdom

Date: 31 March 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Millbrook Healthcare Midco Limited

## Statement of Comprehensive Income For the Year Ended 30 June 2022

	Note	2022 £000	2021 £000
Administrative expenses		(3)	(10)
Income from group undertakings	4	-	5,140
<b>Operating (loss)/profit</b>	5	<b>(3)</b>	5,130
Interest payable and similar charges	8	(3,306)	(2,943)
<b>(Loss)/profit before tax</b>		<b>(3,309)</b>	2,187
Tax on (loss)/profit	9	226	(27)
<b>(Loss)/profit for the financial year</b>		<b><u>(3,083)</u></b>	<u>2,160</u>

The notes on pages 13 to 22 form part of these financial statements.

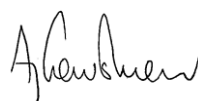
# Millbrook Healthcare Midco Limited

Registered number: 11935896

## Balance Sheet As at 30 June 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
<b>Current assets</b>					
Debtors: amounts falling due within one year	12	49,414		49,191	
Creditors: amounts falling due within one year	13	(23,073)		(23,073)	
<b>Net current assets</b>			<b>26,341</b>		<b>26,118</b>
<b>Total assets less current liabilities</b>			<b>26,341</b>		<b>26,118</b>
Creditors: amounts falling due after more than one year	14		(30,827)		(27,521)
<b>Net liabilities</b>			<b>(4,486)</b>		<b>(1,403)</b>
<b>Capital and reserves</b>					
Profit and loss account	17		(4,486)		(1,403)
<b>Total equity</b>			<b>(4,486)</b>		<b>(1,403)</b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 March 2023



**A J Crawshaw**  
Director

The notes on pages 13 to 22 form part of these financial statements.

# Millbrook Healthcare Midco Limited

## Statement of Changes in Equity For the Year Ended 30 June 2022

	Profit and loss account	Total equity
	£000	£000
At 1 July 2021	(1,403)	(1,403)
<b>Comprehensive loss for the year</b>		
Loss for the year	(3,083)	(3,083)
<b>Total comprehensive loss for the year</b>	<u>(3,083)</u>	<u>(3,083)</u>
<b>At 30 June 2022</b>	<u><u>(4,486)</u></u>	<u><u>(4,486)</u></u>

## Statement of Changes in Equity For the Year Ended 30 June 2021

	Profit and loss account	Total equity
	£000	£000
At 1 July 2020	(3,201)	(3,201)
<b>Comprehensive income for the year</b>		
Profit for the year	2,160	2,160
<b>Total comprehensive income for the year</b>	<u>2,160</u>	<u>2,160</u>
Dividends: Equity capital	(362)	(362)
<b>At 30 June 2021</b>	<u><u>(1,403)</u></u>	<u><u>(1,403)</u></u>

# Millbrook Healthcare Midco Limited

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 1. General information

Millbrook Healthcare Midco Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activity are set out in the directors' report.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The presentation and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

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

The following principal accounting policies have been applied:

#### 2.2 Financial report standard 102 - reduced disclosure exemption

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

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

This information is included in the consolidated financial statements of Millbrook Healthcare Holdings Limited as at 30 June 2022 and these financial statements may be obtained from Companies House.

#### 2.3 Consolidated accounts

The company is exempt from the requirement to prepare and deliver group financial statements by virtue of section 400 of the Companies Act 2006 and accordingly the financial statements present information about the company as an individual and not about its group.



# Millbrook Healthcare Midco Limited

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 2. Accounting policies (continued)

#### 2.4 Going concern

In early 2023, the group finalised a new business plan with updated financial forecasts for more than 12 months from the date of approval of these financial statements. These forecasts show the group is expected to be able to meet its liabilities as they fall due, along with strong cash generation and a good level of headroom against the group's banking covenant tests, in both the planned and downside scenarios.

The Directors are confident of being able to trade for a period of at least 12 months from the date of approval of these financial statements and the Directors have therefore concluded that it is appropriate for the financial statements to be prepared on a going concern basis.

#### 2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 2.6 Debtors

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

#### 2.7 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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

# Millbrook Healthcare Midco Limited

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 2. Accounting policies (continued)

#### 2.7 Financial instruments (continued)

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

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

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

#### 2.8 Creditors

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

#### 2.9 Finance costs

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

#### 2.10 Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the year in which they are incurred.

#### 2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

#### 2.12 Taxation

Tax is recognised in the statement of comprehensive income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

# Millbrook Healthcare Midco Limited

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 2. Accounting policies (continued)

#### 2.12 Taxation (continued)

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

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

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

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

In preparing these financial statements, the members have made the following judgements:

#### *Recoverability of investments and amounts owed by group undertakings*

Determined whether there are indicators of impairment of the company's amounts owed by group undertakings. Factors taken into consideration in reaching such a decision include the economics viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

### 4. Other operating income

	2022 £000	2021 £000
Dividend received from group undertakings	-	5,140

### 5. Operating (loss)/profit

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

	2022 £000	2021 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	3	2

# Millbrook Healthcare Midco Limited

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 6. Employees

The company has no employees other than the directors, who did not receive any remuneration (2021 -£Nil).

### 7. Directors' remuneration

No director received any emoluments from the company in the current year.

Directors remuneration is borne by Millbrook Healthcare Limited.

### 8. Interest payable and similar charges

	2022 £000	2021 £000
Loan note interest payable	<u>3,306</u>	<u>2,943</u>

### 9. Taxation

	2022 £000	2021 £000
<b>Corporation tax</b>		
Group relief	(226)	27
<b>Taxation on profit on ordinary activities</b>	<u>(226)</u>	<u>27</u>

# Millbrook Healthcare Midco Limited

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 9. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £000	2021 £000
(Loss)/profit on ordinary activities before tax	<u>(3,309)</u>	<u>2,186</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(629)	415
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	464	1
Adjustments to tax charge in respect of prior periods	(44)	(16)
Change in deferred tax rates	(14)	33
Interest restriction	-	543
Prior year group relief	-	28
Non taxable income		(977)
Deferred tax not recognised	105	
Group relief	(108)	
<b>Total tax charge for the year</b>	<u><b>(226)</b></u>	<u><b>27</b></u>

#### Factors that may affect future tax charges

Increases in the UK Corporation tax rate from 19% to 25% (25% effective from 1 April 2023) have been substantively enacted. This will impact the company's future tax charge accordingly.

### 10. Dividends

	2022 £000	2021 £000
Dividends paid in the year	<u>-</u>	<u>362</u>

# Millbrook Healthcare Midco Limited

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 11. Fixed asset investments

#### Subsidiary Undertakings

The following were subsidiary undertakings of the company:

#### Direct subsidiary undertakings

Name	Principal activity	Class of shares	Holding
Millbrook Healthcare Subco Limited	Holding Company	Ordinary	100%

#### Indirect subsidiary undertakings

Name	Principal activity	Class of shares	Holding
Millbrook Healthcare Bidco Limited	Holding Company	Ordinary	100%
Millbrook Healthcare Group II Limited	Holding Company	Ordinary	100%
Millbrook Healthcare Group Limited	Holding Company	Ordinary	100%
Millbrook Healthcare Limited	Healthcare services	Ordinary	100%
Ultimate Healthcare Limited	Healthcare services	Ordinary	100%
CCK Holdings Limited	Holding Company	Ordinary	100%
Consolor Limited	Healthcare services	Ordinary	100%
Ross Care Holdings Limited	Holding Company	Ordinary	100%
Ross Auto Engineering Limited	Healthcare services	Ordinary	100%
Ross Care Limited	Holding Company	Ordinary	100%

On 29 January 2021 Millbrook Healthcare Limited acquired 100% of the shares in Ross Care Limited and its subsidiaries, Ross Care Holdings Limited and Ross Auto Engineering Limited.

All subsidiaries have their registered office at that of Millbrook Healthcare Midco Limited.

### 12. Debtors: amounts falling due within one year

	2022 £000	2021 £000
Amounts owed by group undertakings	<u>49,414</u>	<u>49,191</u>

### 13. Creditors: amounts falling due within one year

	2022 £000	2021 £000
Amounts owed to group undertakings	23,071	23,071
Accruals and deferred income	2	2
	<u>23,073</u>	<u>23,073</u>

# Millbrook Healthcare Midco Limited

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 14. Creditors: amounts falling due after more than one year

	2022 £000	2021 £000
Loan notes	<u>30,827</u>	<u>27,521</u>

### 15. Loans

Analysis of the maturity of loans is given below:

	2022 £000	2021 £000
<b>Amounts falling due after more than 5 years</b>		
Loan notes	<u>30,827</u>	<u>27,521</u>

Included within the above are A Loan Notes and Management Loan Notes totalling £23,190k (2021 - £23,190k). This includes the addition of £Nil (2021 - £3,500k) and the repayment of £Nil (2021 - £1,829k). All loan notes are repayable in July 2026, unless previously purchased or repaid. The loan notes are unsecured and attract interest at a rate of 12%.

Interest on these loan notes of £3,306k (2021 - £2,943k) was charged to the statement of comprehensive income during the year. Interest of £7,637k (2021 - £4,335k) is unpaid at the year-end and is included in loan notes above.

The loan notes were listed on the Channel Islands Security Exchange on 22 July 2019 and are not freely transferrable.

# Millbrook Healthcare Midco Limited

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 16. Share capital

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
2- ordinary shares of £1 each	<u>2</u>	<u>2</u>

All the ordinary shares carry equal participation in assets, rights to dividend and voting power.

### 17. Reserves

The company's capital and reserves are as follows:

#### Called up share capital

Called up share capital represents the nominal value of the shares issued.

#### Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

### 18. Related party transactions

The company has taken advantage of the exemption conferred by FRS 102, section 33 'Related Party Disclosures', not to disclose transactions entered into between wholly owned group companies.

#### Loan notes

At year end Millbrook Healthcare Midco Limited owed £29,838k (2021 - £26,641k) of 'A' loan notes to a related party. Interest on these loan notes of £3,197k (2021 - £2,845k) was charged to the statement of comprehensive income during the year. Interest of £7,438k (2021 - £4,151k) is unpaid at the year-end.

At year end Millbrook Healthcare Midco Limited owed £988k (2021 - £875k) of loan notes to a related party. Interest on these loan notes of £105k was charged to the statement of comprehensive income during the year. Interest of £288k (2021 - £183k) is unpaid at the year-end.

#### Key management

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the group are considered to be key management personnel. These costs are disclosed in the employees and directors remuneration note.

There are no amounts due to key management at year end.



# Millbrook Healthcare Midco Limited

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 19. Post balance sheet events

There have been no significant events affecting the company since the year end.

### 20. Controlling party

The company's immediate parent undertaking is Millbrook Healthcare Holdings Limited.

The largest and smallest group in which the results of the company were consolidated were that headed by Cairngorm Acquisitions 9 Topco Limited, incorporated in the UK. The consolidated accounts for this company are available to the public within the public domain.

The ultimate controlling party were funds advised by Cairngorm Capital Partners LLP.