

Meditech Group Limited

Report and Financial Statements

Year Ended

28 February 2017

Company number 3039649

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Meditech Group Limited

Report and financial statements for the year ended 28 February 2017

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Directors

J A Midgley
P Steeper

Company secretary

J A Midgley

Registered office

Unit 7, Hunslet Trading Estate, Severn Road, Leeds LS10 1BL

Company number

3039649

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Meditech Group Limited

Strategic Report for the year ended 28 February 2017

The directors present their report together with the audited financial statements for the year ended 28 February 2017.

Principal activities

The principal activity of the company in the year was an intermediate holding company.

Results and dividends

Meditech Group Limited is a Holding Company for profitable trading subsidiaries. A dividend was received in the year from the following wholly owned subsidiaries: Hugh Steeper Limited for £28,875,000 (2016 - £Nil); Rehabilitation Services Limited for £1,089,073 (2016 - £Nil); Meditech IT Limited for £10,099 (2016 - £Nil); and Insearch Limited for £110,233 (2016 - £Nil) following a capital reduction in the subsidiaries, which resulted in an investment write down of £4,313,183 in the Company. The trading result for the year and the financial position of the company at the end of the year are shown on pages 6 and 7 of the financial statements.

The ultimate parent company changed during the year to Steeper Group Holdings Limited. The Group continues to have strong liquidity and cash reserves to support the growth plans of the business and operating cash flow remains strong which supports the group to trade profitability as a whole going forward.

The directors recommended the payment of an ordinary interim dividend for the year of £27,767,158 per share totalling £27,767,158 to the immediate parent company RSL Steeper Group Limited (2016 - £Nil). No final dividend is proposed.

Business review and future developments

The Group provides Prosthetic, Orthotic and Assistive technology solutions in the UK and overseas markets and is a member of the Steeper Holdings Group. The business is focused on maintaining and developing existing NHS customer relationships within the UK whilst expanding its private sector and overseas capabilities. Growth has been experienced in the overseas market for the sale of our own range of upper limb prosthetic products. Orthotic growth has been delivered through the expansion of our own product range in the UK and Assistive Technology is pursuing growth in the UK private sector markets whilst developing key NHS relationships in the UK and exporting our own designed peripherals. Margins within NHS contracts remain under pressure and the company is determined to work with our partners to help improve efficiencies further in this sector.

The Group is set to expand its range of products to deliver growth in the UK and export markets in 2017-18.

The directors consider various financial and non-financial key performance indicators (KPI) in the management of the group. Further information on the trading and KPI performance can be found in the financial statements of Hugh Steeper Limited, which are publicly available from Companies House and the Company's registered office.

Post balance sheet events

There were no events since the balance sheet date which materially affect the position of the group or company.

By order of the Board



J A Midgley
Secretary

Date 1 August 2017

Meditech Group Limited

Report of the directors for the year ended 28 February 2017

The directors present their report together with the audited financial statements for the year ended 28 February 2017.

Results and dividends

The trading result for the year and the financial position of the company at the end of the year are shown on pages 6 and 7 of the financial statements. For the business review and future developments see the strategic report.

The directors recommended the payment of an ordinary interim dividend for the year of £27,767,152 per share totalling £27,767,152 to the immediate parent company RSL Steeper Group Limited (2016 - £Nil). No final dividend is proposed.

Principal activities

The principal activity of the company in the year was an intermediate holding company. This activity will remain in the future.

Post balance sheet events

There were no events since the balance sheet date which materially affect the position of the company.

Financial management

The financial management of the company is explained in the financial statements of Steeper Holdings Limited.

Directors

The directors of the company during the year were:

J A Midgley
P Steeper

Meditech Group Limited

Report of the directors for the year ended 28 February 2017 (continued)

Directors' responsibilities

The directors are responsible for preparing 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 company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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, 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.

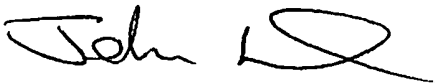
They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006.

By order of the Board



J A Midgley
Secretary

Date 1 August 2017

Meditech Group Limited

Independent auditor's report

TO THE MEMBERS OF MEDITECH GROUP LIMITED

We have audited the financial statements of Meditech Group Limited for the year ended 28 February 2017, which comprise the income statement and statement of total comprehensive income, the statement of financial position, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2017 and of its profit 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Meditech Group Limited

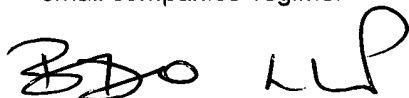
Independent auditor's report (continued)

Matters on which we are required to report by exception

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 where 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; or
- the directors were not entitled to prepare the financial statements and director's report in accordance with the small companies' regime.



Gary Hanson (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date 1 August 2017

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

Meditech Group Limited

Income statement and statement of total comprehensive income for the year ended 28 February 2017

	Note	2017 £	2016 £
Operating profit	2	-	-
Interest payable and similar expenditure	3	(65,017)	(62,094)
Income from other fixed asset investments	4	30,084,405	-
Impairment of investments	7	(4,313,183)	-
		<hr/>	<hr/>
Profit (loss) on ordinary activities before taxation		25,706,204	(62,094)
Taxation on profit from ordinary activities	6	-	-
		<hr/>	<hr/>
Profit (loss) and total comprehensive income for the year		25,706,204	(62,094)
		<hr/>	<hr/>
Profit for the financial year attributable to:			
Owners of the parent company		25,706,204	(62,094)
		<hr/>	<hr/>

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

The notes on pages 9 to 13 form part of these financial statements

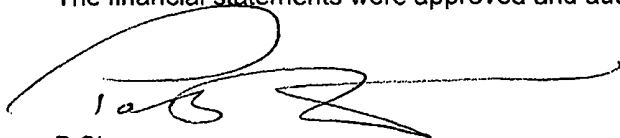
Meditech Group Limited

Statement of financial position at 28 February 2017

<i>Company number 3039649</i>	<i>Note</i>	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Investments	7		1,270,383		5,583,569
Creditors: amounts falling due within one year	8	3		2,252,236	
Net current liabilities			(3)		(2,252,236)
Net assets			1,270,380		3,331,333
Capital and reserves					
Called up share capital	9		1		2,066,077
Share premium account			-		41,250
Other reserves			-		50,101
Profit and loss account			1,270,379		1,173,905
Shareholder's funds			1,270,380		3,331,333

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Board on 1 August 2017.



P Steeper
Director

The notes on pages 9 to 13 form part of these financial statements

Meditech Group Limited

Statement of changes in equity for the year ended 28 February 2017

	Share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total equity £
1 March 2016	2,066,077	41,250	50,101	1,173,905	3,331,333
Profit for the year	-	-	-	25,706,204	25,706,204
Total comprehensive income for the year	-	-	-	25,706,204	25,706,204
Capital reduction (Note 9)	(2,066,076)	(41,250)	(50,101)	2,157,427	-
Dividends	-	-	-	(27,767,158)	(27,767,158)
Total transactions with owners, recognised directly in equity	(2,066,076)	(41,250)	(50,101)	(25,609,731)	(27,767,158)
28 February 2017	1	-	-	1,270,379	1,270,380

Statement of changes in equity for the year ended 29 February 2016

	Share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total equity £
28 February 2015	2,066,077	41,250	50,101	1,235,999	3,393,427
Loss for the year	-	-	-	(62,094)	(62,094)
Total comprehensive income for the year	-	-	-	(62,094)	(62,094)
29 February 2016	2,066,077	41,250	50,101	1,173,905	3,331,333

The notes on pages 9 to 13 form part of these financial statements

Meditech Group Limited

Notes forming part of the financial statements for the year ended 28 February 2017

1 Accounting policies

Meditech Group Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the group's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

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.

Financial Reporting Standard 102 – reduced disclosure exemptions

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

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Steeper Holdings Limited as at 28 February 2017 and these financial statements may be obtained from Companies House.

The following principal accounting policies have been applied:

Consolidation

The financial statements contain information about Meditech Group Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by section 400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in EEA group accounts of a larger group.

Fixed asset investments

The carrying value of fixed asset investments are reviewed for impairment in the period if events or changes in circumstances indicate that the carrying value may not be recoverable.

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.

Meditech Group Limited

Notes forming part of the financial statements for the year ended 28 February 2017 (*continued*)

1 Accounting policies (*continued*)

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or 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 reporting date in the countries where the company's subsidiaries operate and generate taxable income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Amounts charged or credited to the cash flow hedge reserve are treated for tax purposes as

Going concern

The financial statements are prepared on a going concern basis.

Meditech Group Limited is a Holding Company for profitable trading subsidiaries. A dividend was received in the year from the following wholly owned subsidiaries: Hugh Steeper Limited for £28,875,000 (2016 - £Nil); Rehabilitation Services Limited for £1,089,073 (2016 - £Nil); Meditech IT Limited for £10,099 (2016 - £Nil); and Insearch Limited for £110,233 (2016 - £Nil) following a capital reduction in the subsidiaries, which resulted in an investment write down of £4,565,575 in the Company.

The directors have reviewed the forecasts of the Company and Group it heads and have concluded it appropriate to prepare the financial statements on the going concern basis.

2 Operating profit

The current and prior year audit costs have been borne on behalf of Meditech Group Limited by other group companies. There were no employees during the current or prior year and no directors received any remuneration.

Meditech Group Limited

Notes forming part of the financial statements
for the year ended 28 February 2017 (continued)

3 Interest receivable/(payable) and similar income

	2017 £	2016 £
Interest receivable on inter-company balances	-	-
Interest payable on inter-company balances	(65,017)	(62,094)

4 Income from other Fixed Asset Investments

A dividend was received in the year from the following wholly owned subsidiaries: Hugh Steeper Limited for £28,875,000 (2016 - £Nil); Rehabilitation Services Limited for £1,089,073 (2016 - £Nil); Meditech IT Limited for £10,099 (2016 - £Nil); and Insearch Limited for £110,233 (2016 - £Nil).

5 Dividends

Total interim dividends of £27,767,158 per share were paid during the year (2016 - £Nil). The Directors do not propose a final dividend.

6 Taxation charge on profit from ordinary activities

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	2017 £	2016 £
Profit (loss) on ordinary activities before tax	25,706,204	(62,094)
Profit on ordinary activities at the standard rate of corporation tax in the UK of 20% (2016 – 20%)	5,141,241	(12,419)
Effects of: (Income not taxable) / Expenses not deductible for tax purposes	(5,154,244)	12,419
Group relief surrendered / (claimed)	13,003	-
Current tax charge for year	-	-

Meditech Group Limited

Notes forming part of the financial statements
for the year ended 28 February 2017 (continued)

7 Fixed asset investments

	2017 £	2016 £
Cost (£5,583,569) less impairment	<u>1,270,383</u>	<u>5,583,569</u>

The Directors have reviewed the carrying value of its investments in subsidiary undertakings and, given the capital reduction and dividends received in the year, have impaired the investment to £1,270,383.

The following subsidiary undertakings are all incorporated in the United Kingdom. The registered office of all subsidiaries is Unit 7, Hunslet Trading Estate, Severn Road, Leeds LS10 1BL.

Name of Company	Holding	% held	Nature of business
Rehabilitation Services Limited	£1 ordinary shares	100%	Dormant
Meditech IT Limited	£1 ordinary shares	100%	Dormant
Insearch Limited	1p 'A' ordinary	100%	Dormant
Hugh Steeper Limited	10p ordinary shares	100%	Provision of rehabilitation products and services

8 Creditors: amounts falling due within one year

	2017 £	2016 £
Amounts owed to group undertakings	<u>3</u>	<u>2,252,236</u>

9 Share capital

	Allotted, called up and fully paid 2017 £	2016 £
1 (2016 - 2,066,077) Ordinary shares of £1 each	<u>1</u>	<u>2,066,077</u>

On 27 January 2017, the Company reduced its share capital by cancelling 2,066,076 ordinary shares of £1 each by reducing the amount standing to the credit of the share premium account of the Company by £41,250 and reducing the amount standing to the credit of the capital redemption reserve by £50,101.

10 Related party disclosures

As at 28 February 2017, the company was due £Nil (2016 - £2,252,236) from Steeper Holdings Limited, and £1 (2016 - £Nil) from RSL Steeper Group Limited. The company owed £1 (2016 - £Nil) to Insearch Limited, £1 (2016 - £Nil) to Meditech IT Limited, £1 (2016 - £Nil) to Hugh Steeper Limited, and £1 (2016 - £Nil) to Rehabilitation Services Limited.

Meditech Group Limited

**Notes forming part of the financial statements
for the year ended 28 February 2017 (*continued*)**

11 Parent undertaking and controlling party

The company is a wholly owned subsidiary undertaking of RSL Steeper Group Limited, its immediate parent undertaking, for whom group financial statements are not prepared.

In the director's opinion, the company's ultimate parent undertaking is Steeper Group Holdings Limited. On 1 February 2017 the company's ultimate parent undertaking became Steeper Group Holdings Limited.

The financial statements of Steeper Holdings Limited, which is the largest and smallest group in which the results of the company are consolidated, are available from Mayflower House, 14 Pontefract Road, Leeds, LS10 1TB.