

**WESTFIELD MEDICAL GROUP LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 30 JUNE 2022**

## WESTFIELD MEDICAL GROUP LIMITED

### COMPANY INFORMATION

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#### DIRECTORS

G S Miller (resigned 17 December 2021)  
A B Symmonds (resigned 30 March 2021)  
E J Vero  
T Purkis (appointed 30 March 2021, resigned 17 December 2021)  
J B D'Hautefeuille (appointed 17 December 2021)  
T Hyvernats (appointed 17 December 2021)

#### REGISTERED NUMBER

09703244

#### REGISTERED OFFICE

Second Avenue  
Westfield Industrial Estate Midsomer Norton  
Radstock  
BA3 4DP

#### INDEPENDENT AUDITORS

Bishop Fleming LLP  
Chartered Accountants & Statutory Auditors  
10 Temple Back  
Bristol  
BS1 6FL

#### BANKERS

HSBC Bank  
Bristol  
BS1 6DZ

#### SOLICITORS

Gateley Plc  
Abbey Square  
Reading  
RG1 3BE

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**STRATEGIC REPORT  
FOR THE PERIOD ENDED 30 JUNE 2022**

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**INTRODUCTION**

The directors present their strategic report on the company for the 18 month period ended 30 June 2022.

**BUSINESS REVIEW**

Westfield Medical is a leading manufacturer and supplier of single-use sterilisation barrier materials to hospitals and the healthcare industry.

Following the acquisition of the company by Sterimed International in December 2021, the company changed its accounting year end to bring it in line with the Sterimed group of companies.

Westfield Medical Group serves as a holding company of Westfield Medical Limited and has no trading of its own

**PRINCIPAL RISKS AND UNCERTAINTIES**

There are ongoing uncertainties around supply of material and price increases from our suppliers. We are combating this by increasing our stock levels before price increases take place, and making sure we don't run out where we can. We also have scope within the group to purchase internally where they have excess stock of the same material.

**PERFORMANCE, FINANCIAL POSITION AND KEY PERFORMANCE INDICATORS**

Following the acquisition by Sterimed, all external debt was extinguished and the company only has loans from Group undertakings.

**OTHER KEY PERFORMANCE INDICATORS**

Following the acquisition of the company by Sterimed International in December 2021, the group has begun an integration process which is expected to deliver significant benefits through leveraging Sterimed's worldwide sales network, incorporation of new Group products into Westfield's range and global purchasing synergies. There will be some one-time costs associated with this integration such as validation work and product training, but it is expected that the new accounting period will be able to demonstrate significant extra benefits.

This report was approved by the board on 24 January 2023 and signed on its behalf.

**E J Vero**  
Director

**DIRECTORS' REPORT  
FOR THE PERIOD ENDED 30 JUNE 2022**

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The directors present their report and the financial statements for the period ended 30 June 2022.

**RESULTS AND DIVIDENDS**

The loss for the period, after taxation, amounted to £292 thousand (2020: loss £3 thousand).

**DIRECTORS**

The directors who served during the period were:

G S Miller (resigned 17 December 2021)  
A B Symmonds (resigned 30 March 2021)  
E J Vero  
T Purkis (appointed 30 March 2021, resigned 17 December 2021)  
J B D'Hautefeuille (appointed 17 December 2021)  
T Hyvernat (appointed 17 December 2021)

**DISCLOSURE OF INFORMATION TO AUDITORS**

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

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

**POST BALANCE SHEET EVENTS**

There has been no material post balance sheet events requiring disclosure.

**AUDITORS**

The auditors, Bishop Fleming LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

**E J Vero**  
Director

Date: 24 January 2023

Second Avenue  
Westfield Industrial Estate Midsomer Norton  
Radstock  
BA3 4DP

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE PERIOD ENDED 30 JUNE 2022**

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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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting 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 and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WESTFIELD MEDICAL GROUP LIMITED**

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**OPINION**

We have audited the financial statements of Westfield Medical Group Limited (the 'Company') for the period ended 30 June 2022, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity, the Group Statement of comprehensive income, the Group and Company Statements of financial position, the Group Statement of cash flows, the Group and Company Statement of changes in equity, the Consolidated analysis of net debt and the related notes, 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).

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 period 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.

**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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**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.

**OTHER INFORMATION**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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.

We have nothing to report in this regard.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WESTFIELD MEDICAL GROUP LIMITED (CONTINUED)**

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**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 the Directors' Report for the financial period 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.

**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 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 set out on page , 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.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WESTFIELD MEDICAL GROUP LIMITED (CONTINUED)

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**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

Identifying and assessing potential risks related to irregularities

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We have considered the nature of the industry and sector, control environment and business performance.
- We have considered the results of our enquiries of management including the Finance Director and Chief Executive Officer about their own identification and assessment of the risk of irregularities.
- For any matters identified we have obtained and reviewed the Company's documentation of their policies and procedures relating to:
  - Identifying, evaluating, and complying with laws and regulations whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risk of fraud and whether they have knowledge of actual, suspected, or alleged fraud; and
  - The internal controls established to mitigate the risks of fraud or non-compliance with laws and regulations.
- We have considered the matters discussed among the audit engagement team including internal tax specialists regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud is through the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included data protection regulations, health and safety regulations, employment legislation and quality management systems.

**Audit response to risks identified**

We identified revenue recognition cut off and valuation of stock as key audit matters related to the potential risk of fraud, our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management concerning actual and potential litigation claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement or fraud;

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WESTFIELD MEDICAL GROUP LIMITED (CONTINUED)

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- Reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' 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 Auditors' 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.

Ria Burridge FCCA (Senior Statutory Auditor)

for and on behalf of

**Bishop Fleming LLP**

Chartered Accountants

Statutory Auditors

10 Temple Back

Bristol

BS1 6FL

26 January 2023

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 JUNE 2022**

		18 months ended 30 June 2022 £	6 months ended 31 December 2020 £000
	Note		
Administrative expenses		(847)	(413)
Other operating income		1,387	699
<b>EBITDA</b>	4	<b>540</b>	286
Depreciation		(48)	(21)
<b>OPERATING PROFIT</b>		<b>492</b>	265
Interest payable and similar expenses	8	(781)	(268)
<b>LOSS BEFORE TAX</b>		<b>(289)</b>	(3)
Tax on loss	9	(3)	-
<b>LOSS FOR THE FINANCIAL PERIOD</b>		<b>(292)</b>	(3)

There were no recognised gains and losses for 2022 or 2020 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2022 (2020:£NIL).

The notes on form part of these financial statements.

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2022

		30 June 2022 £000	31 December 2020 £000
	Note		
<b>Fixed assets</b>			
Tangible assets	10	-	1,879
Investments	11	4,459	4,459
		<u>4,459</u>	<u>6,338</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	4,525	1,097
Cash at bank and in hand	13	1	16
		<u>4,526</u>	<u>1,113</u>
Creditors: amounts falling due within one year	14	(1,114)	(1,403)
<b>Net current assets/(liabilities)</b>		<u>3,412</u>	<u>(290)</u>
<b>Total assets less current liabilities</b>		<u>7,871</u>	<u>6,048</u>
Creditors: amounts falling due after more than one year	15	(7,605)	(5,490)
<b>Net assets</b>		<u><u>266</u></u>	<u><u>558</u></u>
<b>Capital and reserves</b>			
Called up share capital	17	475	475
Revaluation reserve	18	-	153
Capital redemption reserve	18	100	100
Profit and loss account	18	(309)	(170)
		<u><u>266</u></u>	<u><u>558</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 January 2023.

**E J Vero**  
Director

The notes on form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2022

	Called up share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 July 2020	490	100	155	(169)	576
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>					
Loss for the period	-	-	-	(3)	(3)
Shares cancelled during the period	(15)	-	-	-	(15)
Depreciation transfer on revalued property	-	-	(2)	2	-
<b>At 1 January 2021</b>	<b>475</b>	<b>100</b>	<b>153</b>	<b>(170)</b>	<b>558</b>
Loss for the period	-	-	-	(292)	(292)
Transfer on sale of property	-	-	(153)	153	-
<b>AT 30 JUNE 2022</b>	<b>475</b>	<b>100</b>	<b>-</b>	<b>(309)</b>	<b>266</b>

The notes on form part of these financial statements.

**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 JUNE 2022**

	30 June 2022 £000	31 December 2020 £000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the financial period	(292)	(3)
<b>ADJUSTMENTS FOR:</b>		
Depreciation of tangible assets	48	21
Interest paid	781	268
Taxation charge	3	-
(Increase) in debtors	(1,597)	(210)
(Decrease) in creditors	(1,144)	(22)
Corporation tax (paid)/received	(3)	-
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>(2,204)</b>	<b>54</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Purchase of ordinary shares	-	(15)
New secured loans	-	1,447
Repayment of loans	(5,749)	(1,378)
Other new loans	8,430	-
Interest paid	(492)	(93)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>2,189</b>	<b>(39)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(15)</b>	<b>15</b>
Cash and cash equivalents at beginning of period	16	1
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>1</b>	<b>16</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD COMPRISE:</b>		
Cash at bank and in hand	1	16
	<b>1</b>	<b>16</b>

The notes on form part of these financial statements.

**ANALYSIS OF NET DEBT**  
**FOR THE PERIOD ENDED 30 JUNE 2022**


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	At 1 January 2021 £000	Cash flows £000	At 30 June 2022 £000
Cash at bank and in hand	16	(15)	1
Debt due after 1 year	(5,490)	(2,115)	(7,605)
Debt due within 1 year	(259)	(566)	(825)
	<u>(5,733)</u>	<u>(2,696)</u>	<u>(8,429)</u>

The notes on form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2022**

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**1. GENERAL INFORMATION**

Westfield Medical Group Limited is a private company limited by shares, registered in England and Wales. The address of its registered office is Second Avenue, Westfield Industrial Estate, Midsomer Norton, Radstock, BA3 4DP.

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

The following principal accounting policies have been applied:

**2.2 GOING CONCERN**

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate.

The directors have prepared cash flow forecasts which indicate that the company and the group will have sufficient funds to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

**2.3 FOREIGN CURRENCY TRANSLATION**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

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

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

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

**2.4 FINANCE COSTS**

Finance costs are charged to profit or loss 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.

**2.5 BORROWING COSTS**

All borrowing costs are recognised in profit or loss in the period in which they are incurred.



**2. ACCOUNTING POLICIES (continued)**

**2.6 PENSIONS**

**DEFINED CONTRIBUTION PENSION PLAN**

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

**2.7 TAXATION**

Tax is recognised in profit or loss 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 reporting date in the countries where the Company operates and generates income.

**2.8 REVALUATION OF TANGIBLE FIXED ASSETS**

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

**2.9 VALUATION OF INVESTMENTS**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.10 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.

**2.11 CASH AND CASH EQUIVALENTS**

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

In the 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 Company's cash management.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2022**

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**2. ACCOUNTING POLICIES (continued)**

**2.12 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.

**2.13 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.

**3.**

**JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The critical judgments made by management that have a significant effect on the amounts recognised in the financial statements are described below.

***Critical judgments***

**Lease Commitments:**

Determine whether leases entered into by the group either as a lessor or lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

**Depreciation rates:**

Tangible fixed assets are depreciated over their useful lives, taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

**4. OPERATING PROFIT**

The operating profit is stated after charging:

	<b>18 months ended 30 June 2022 £000</b>	<b>6 months ended 31 December 2020 £000</b>
Exchange differences	<b>14</b>	-

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2022

5. AUDITORS' REMUNERATION

	18 months ended 30 June 2022 £000	6 months ended 31 December 2020 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>6</u>	<u>4</u>

6. EMPLOYEES

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

	18 months ended 30 June 2022 £000	6 months ended 31 December 2020 £000
Wages and salaries	571	272
Social security costs	46	28
Cost of defined contribution scheme	84	40
	<u>701</u>	<u>340</u>

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

	18 months ended 30 June 2022 No.	6 months ended 31 December 2020 No.
Administration	<u>1</u>	<u>3</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2022**

**7. DIRECTORS' REMUNERATION**

	<b>18 months ended 30 June 2022 £000</b>	<b>6 months ended 31 December 2020 £000</b>
Directors' emoluments	531	272
Company contributions to defined contribution pension schemes	84	40
	<u>615</u>	<u>312</u>

During the period retirement benefits were accruing to 1 director (2020: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £242 thousand (2020: £75 thousand).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £2 thousand (2020: £4 thousand).

**8. INTEREST PAYABLE AND SIMILAR EXPENSES**

	<b>18 months ended 30 June 2022 £000</b>	<b>6 months ended 31 December 2020 £000</b>
Bank interest payable	48	19
Other loan interest payable	733	249
	<u>781</u>	<u>268</u>

**9. TAXATION**

	<b>18 months ended 30 June 2022 £000</b>	<b>6 months ended 31 December 2020 £000</b>
<b>CORPORATION TAX</b>		
Adjustments in respect of previous periods	3	-
<b>TOTAL CURRENT TAX</b>	<u>3</u>	<u>-</u>
<b>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>	<u>3</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2022**

**9. TAXATION (CONTINUED)**

**FACTORS AFFECTING TAX CHARGE FOR THE PERIOD**

The tax assessed for the period is higher than (2020: the same as) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	<b>18 months ended 30 June 2022 £000</b>	<b>6 months ended 31 December 2020 £000</b>
Loss on ordinary activities before tax	<u>(289)</u>	<u>(2)</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	<b>(55)</b>	-
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>8</b>	-
Capital allowances for period in excess of depreciation	<b>10</b>	4
Adjustments to tax charge in respect of prior periods	<b>3</b>	-
Other differences leading to an increase (decrease) in the tax charge	<b>(1)</b>	-
Group relief	<b>199</b>	(4)
Movement in deferred tax not recognised	<b>(161)</b>	-
<b>TOTAL TAX CHARGE FOR THE PERIOD</b>	<u><b>3</b></u>	<u><b>-</b></u>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

As enacted by the Government on 24 May 2021, the main rate of corporation tax will increase from 19% to 25% with effect from 1 April 2023.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2022

10. TANGIBLE FIXED ASSETS

	Freehold property £000
At 1 January 2021	1,900
Transfers intra group	(1,900)
At 30 June 2022	-
At 1 January 2021	21
Charge for the period on owned assets	48
Transfers intra group	(69)
At 30 June 2022	-
<b>NET BOOK VALUE</b>	
At 30 June 2022	-
At 31 December 2020	1,879

The net book value of land and buildings may be further analysed as follows:

	30 June 2022 £000	31 December 2020 £000
Freehold	-	1,879
	-	1,879

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2022

11. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000
<b>COST OR VALUATION</b>	
At 1 January 2021	4,459
	<hr/>
At 30 June 2022	<u>4,459</u>

The aggregate of the share capital and reserves as at 30 June 2022 and the profit or loss for the period ended on that date for the subsidiary undertaking was as follows:

12. DEBTORS

	30 June 2022 £000	31 December 2020 £000
Amounts owed by group undertakings	4,525	1,077
Prepayments and accrued income	-	20
	<hr/>	<hr/>
	<u>4,525</u>	<u>1,097</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

13. CASH AND CASH EQUIVALENTS

	30 June 2022 £000	31 December 2020 £000
Cash at bank and in hand	1	16
	<hr/>	<hr/>
	<u>1</u>	<u>16</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2022

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 June 2022 £000	31 December 2020 £000
Bank loans	-	259
Other loans	825	-
Accruals and deferred income	289	1,144
	<u>1,114</u>	<u>1,403</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30 June 2022 £000	31 December 2020 £000
Bank loans	-	1,095
Other loans	7,605	4,395
	<u>7,605</u>	<u>5,490</u>



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2022

## 16. LOANS

Analysis of the maturity of loans is given below:

	30 June 2022 £000	31 December 2020 £000
<b>AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
Bank loans	-	259
Other loans	825	-
	<u>825</u>	<u>259</u>
<b>AMOUNTS FALLING DUE 1-2 YEARS</b>		
Bank loans	-	270
Other loans	550	4,395
	<u>550</u>	<u>4,665</u>
<b>AMOUNTS FALLING DUE 2-5 YEARS</b>		
Bank loans	-	825
Other loans	1,375	-
	<u>1,375</u>	<u>825</u>
<b>AMOUNTS FALLING DUE AFTER MORE THAN 5 YEARS</b>		
Other loans	5,680	-
	<u>5,680</u>	<u>-</u>
	<u>8,430</u>	<u>5,749</u>

## 17. SHARE CAPITAL

	30 June 2022 £000	31 December 2020 £000
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
120,000 (2020: 120,000) A Ordinary shares of £1.00 each	120	120
280,000 (2020: 280,000) B Ordinary shares of £1.00 each	280	280
75,000 (2020: 75,000) C Ordinary shares of £1.00 each	75	75
	<u>475</u>	<u>475</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2022

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**18. RESERVES**

**Revaluation reserve**

The revaluation reserve represents the cumulative effect of revaluations of freehold land and buildings which are revalued to fair value at each reporting date.

**Capital redemption reserve**

Cumulative nominal value of share repurchased by the company.

**Profit and loss account**

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

**19. PENSION COMMITMENTS**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £84,000 (6 months ended 31 December 2020: £40,000). No contributions were unpaid at the balance sheet date (2020: £Nil).

**20. RELATED PARTY TRANSACTIONS**

During the period Westfield Medical Group Limited sold property to its subsidiary company, Westfield Medical Limited, for £1,827k. At the year end Westfield Medical Limited owed Westfield Medical Group Limited £4,525k (2020: £1,077k), this amount is included in amounts owed by group undertakings.

During the period Sterimed Holding SAS, the immediate parent company, advanced loans totalling £8,430k to Westfield Medical Group Limited. The loans attract a weighted interest rate of 6.70%, and are repayable by instalments in less than 5 years from the balance sheet date. This balance is included within other loans. During the period interest totalling £289k accrued on the loans, this balance is included in accruals and deferred income. During the period Westfield Medical Limited made payments on account to Sterimed Holding SAS totalling £1,375k, this balance is included in amounts owed by group undertakings.

The directors are considered to be the key management personnel of the company. Directors' remuneration is disclosed in note 8.

**21. CONTROLLING PARTY**

The immediate parent company is Sterimed Holding SAS, a private limited company incorporated in France.

The ultimate parent undertaking is Sterimed International SAS, a private limited company incorporated in France. The smallest and largest group in which the results of the company are consolidated is headed by Sterimed International SAS. Copies of these financial statements are available from the registered office.



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