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Company Registration No. 14799592

MOONLIGHT TOPCO LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 DECEMBER 2023

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MOONLIGHT TOPCO LIMITED

COMPANY INFORMATION

Directors	R C Jones D S O'Neill S J Quin T R P Riall P J Wilson A J Cannon
Company number	14799592
Registered office	6th Floor One Priory Square Priory Street Hastings East Sussex TN34 1EA
Independent Auditors	Grant Thornton UK LLP Chartered Accountants & Statutory Auditors 30 Finsbury Square London EC2A 1AG

MOONLIGHT TOPCO LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2023

The directors present the strategic report and financial statements for the period ended 31 December 2023.

Strategy
Medica (https://medicagroupltd.com/) is the market-leading provider of teleradiology services in the UK and Ireland. Medica prides itself on delivering the highest quality service, underpinned by strong clinical governance and a culture of customer- centric process improvement. Medica provide fast, reliable and high-quality online medical reporting services that offer essential support to the NHS and independent sector during out-of-hours for urgent reporting, as well as support for routine diagnostic reporting throughout the week.

Through its subsidiary, RadMD, in the United States, Medica also provides pharmaceutical biotech and biopharma clients and contract research organisations (CROs) with high quality, complex imaging services for international clinical trials. RadMD has gained vast experience in the space, having contributed to over 500 international clinical trials, in all phases of clinical research from proof of concept to phase III and with expertise in oncology, as well as a wider range of therapeutic areas including medical devices, neurology and cardiovascular.

Through its most recent subsidiary acquisition, JCA Medical Seminars, Medica now offers access to worldwide radiology education and learning for existing and prospective reporters covering a wide range of courses and seminars both virtually, hybrid and in-person in multiple modalities and in multiple speciality areas.

Our business model
Medica provides teleradiology, digital pathology, clinical trial reading and managed imaging services.

Teleradiology
This is the secure electronic transmission of radiological patient images, including plain film X-rays (PF), computerised tomography (CT) scans and magnetic resonance imaging (MRI) scans, from one location to another, for the purposes of diagnostic interpretation and reporting by highly qualified radiologist experts. Through teleradiology, images can be transmitted from the hospital setting, where the images are created, to a reporter who can review and report on the images remotely. Medica support departments through the provision of urgent turnaround services known as "Nighthawk™" and "Dayhawk" and through a range of other options including SameDay and Elective reporting.

These services are delivered through Medica's reporters which comprise consultant radiologists, cardiologists, reporting radiographers and rheumatologists, all specialising in their relevant field, reporting on the images from their own home office. Teleradiology improves patient care by enabling reporters to provide their services remotely, thereby facilitating the rapid availability of trained specialists 24 hours a day, 365 days a year.

Across all its services, Medica offers hospital radiology departments, amongst other benefits, the ability to manage their workflow more efficiently and flexibly and provides rapid access to radiologists, covering a breadth of specialisms, which may not be available to that hospital at the relevant time or at all. The national shortage of radiologist capacity to meet rising demand, which can be exacerbated at a local level, gives rise to the need to use existing capacity within the market more efficiently and teleradiology is a key element in achieving this objective.

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Digital pathology
MedPath^{TM} is a pathologist-led, fully digitised, histopathology reporting and scanning service launched by Medica in 2023. The service offers routine, specialist, backlog reporting including glass slide digitisation and managed services.

Clinical trials imaging services
This service supports the development of new treatments (drugs, therapies and devices) to improve patient care and patient outcomes. A large proportion of clinical trials utilise medical imaging performed at regular intervals to provide empirical dataon the impact of the new treatment. Medica provide consultancy, project management, training and reader services for clinical trial imaging. Clients include pharmaceutical and BioTech companies, device manufacturers and contract research organisations.

Managed imaging services
This is the provision of end-to-end imaging to healthcare providers. For Medica this includes the provision of facilities, staffing, imaging equipment, appointment scheduling, imaging, and reporting via our teleradiology service. We provide a service which is tailored to the client's requirement giving them the flexibility to provide elements of the service themselves. We provide X-ray, CT, MRI, Ultrasound and DEXA managed services. These range from short-term contracts to aid with waiting lists or improved patient access, to long- term contracts where we establish lasting partnerships with our clients. In 2022 Medica Ireland were delighted to renew our contract with VHI, one of Ireland's largest private healthcare insurers, extending a successful partnership for well over a decade.

Multi-disciplinary team (MDT) service
Medica provides MDT support as part of our elective reporting service. This service supports clients who have specialist radiologist capacity gaps by leveraging the large cohort of radiologists at Medica who have experience and expertise of working in an MDT environment.

Medica radiologists attend virtual meetings on a regular basis to discuss the diagnosis and suggested treatment for individual patients alongside the hospital's on-site clinical team. Working with other healthcare professionals such as pathologists, haematologists, and clinical oncologists they assist in making timely decisions that directly affect patient treatments and outcomes.

Why might a client choose Medica?

- Proven track record - established for 20 years
- Access to the largest pool of reporting radiologists and radiographers (c.750) outside of the NHS who report from over 20 countries across the world
- Exceptional radiologist retention rates reflecting our commitment to fostering a supportive and fulfilling work environment for our dedicated team of professionals
- Largest capacity of all providers, with +2M exams reported annually and for prospective reporters offering the highest volume of work in teleradiology, allowing for uncapped earning potential
- Unparalleled clinical governance with our secure quality assurance system, InSight^{TM}
- Bespoke IT platform that provides robust, secure and scalable integration with the customer's radiology reporting systems - MedConnect^{TM}: a unique combination of direct RIS, HL7 and portal-driven workflows for high-quality clinical reporting
- Award winning AI - working in partnership with Qure.ai, to improve and optimise our workflows and reporting processes

- Acquisition of leading CPD provider, JCA Seminars, to provide our radiologists with ongoing learning opportunities and professional development and Rapid, flexible set up options
- Own in-house technical team, available 24 hours a day, 7 days a week
- Market-leading NightHawk™ emergency out of hours service delivering high quality reports in a timely manner to support critical decisions in patient care
- Decades of experience in clinical trial design and execution, coupled with an extensive network of experienced readers

Trends and factors affecting future performance

In the UK and Ireland, Medica is well placed to continue to support its clients to respond to the challenges of rising demand, increased complexity and a widening gap between available resources and demand for diagnostic services. In addition, in the UK Medica has recently launched its new digital pathology service MedPath™ which is aiming to capitalise on an increased demand for histopatholgy diagnostics and the shift towards digitisation of physical glass slides.

In the US, Medica continues to develop relationships with a wide range of pharmaceutical, biotech and biopharma clients and has a strong pipeline and orderbook with good visibility over the medium term with clinical trials typically running for 3-4 years.

Key performance indicators

Medica measures its operational effectiveness through a number of commercial and operational key performance indicators that are reviewed monthly. The key financial performance indicator is underlying EBITDA:

FY 2023 (Period) underlying EBITDA	£11.2m

2023 Operational and financial review

This review covers the period from incorporation to 31 December 2023 and includes group trading performance form the date of acquisition of Medica on 6th July 2023 to 31st December 2023.

Overall Revenues for the Group in the period were £50.7m and underlying EBITDA was £11.2m, representing an EBITDA margin of 22%. Underlying Operating Profit was £9.9m. After taking account of non-underlying costs, including the third-party transaction costs related to the acquisition of Medica Group PLC, total Operating Loss was (£19.3m) which, after accounting for finance charges resulted in a Net Loss before tax for the period of (£34.9m).

Medica UK

Revenue in the period was £35.1m. During this period Medica UK continued to expand the range of services it offers to clients as well as introducing new capacity into its network through the recruitment of additional reporters both in the UK and overseas. Also, in the period Medica offered a number of clinical training courses via its subsidiary, JCA Seminars Ltd, which was acquired by Medica in early 2023.

Medica Ireland
Revenue in the period was £9.3m.

In acute services, Medica Ireland continued to expand the number of clients using its out-of-hours, NightHawk™ reporting services. It also expanded the hours of operation at many of the existing clients, capitalising on the market opportunity to grow rapidly with a shift towards a greater demand for out-of-hours urgent reporting of CT scans in particular. Medica Ireland is now present in all seven hospital clusters across the Republic of Ireland which, together with its private sector client base, positions the business well for continued expansion. During the period Medica Ireland also significantly increased the number of radiologists reporting, to support this growth and has built a strong pipeline to continue to build capacity into 2024 and beyond. In elective and managed services, the Medica Ireland continued to expand into new hospital clients and continues to be well positioned in the Irish market as the go-to provider of teleradiology services.

RadMD (USA)
Revenue in the period was £6.3m.

RadMD continued to expand the range of its full-service Imaging Core Labs services to its pharmaceutical, biotech and other clients supporting all aspects of imaging for their clinical research. In addition, RadMD continued to support a number of Clinical Research Organisations (CRO's) with the supply of Readers for clinical trials they managed on behalf of pharmaceutical and biotech clients.

In the period, there was a reduction in growth expectations for RadMD. This was driven by a significant contract slowdown. Accordingly an impairment of £14.2m was made to the RadMD business, further detail is provided in note 10.

Cash and debt
At 31 December 2023 the group had total cash and cash equivalents of £12.5m. After taking account of loans and borrowings but excluding preference shares classified as debt, total net debt* was (£71.7m).

**Net debt defined as gross cash and cash equivalents less gross debt, excluding amortised arrangement fees*

Funding and financing
The group's principal funding is via direct equity funding from funds managed by IK partners together with a non-amortising £84.3m Unitranche facility which was entered into on 14th July 2023 and has a term of 7 years.

In addition, and following completion of the acquisition, on 24th July 2023 Medica repaid £10.3m in respect of its Revolving Credit Facility. New facilities were entered into on 14th July 2023 which consist of a Super Senior Revolving Credit Facility (SSRCF) and an Acquisition & Capex facility (ACF). Both of these facilities were undrawn as at 31 December 2023.

MOONLIGHT TOPCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2023

Medica ownership

Medica Group Limited ("Medica") is a private limited company domiciled in the United Kingdom. Until 6th July 2023 the Company's ordinary shares were traded on the main market of the London Stock Exchange.

On 23rd April 2023 Moonlight Bidco Ltd, a Company controlled by funds managed by IK Partners ("IK") made an all-cash offer to acquire the entire issued and to be issued share capital of the Company. Following shareholder approval on 9th June 2023, the acquisition became effective on 6th July 2023 and the listing of the Company's shares on was cancelled on 7th July 2023. On 28th July 2023 Medica re-registered as a private limited company.

Moonlight Bidco Ltd considers Moonlight Topco Ltd, a Company registered in England and Wales with company number 14799592 which was incorporated on 13th April 2023 as its ultimate parent company. For the year ended 31st December 2023, consolidated financial statements for the Medica group are presented for Moonlight Topco Ltd and its subsidiaries for the period since incorporation.

Board composition, responsibilities, and obligations

Until 6th July 2023, Medica had a board consisting of three non-executive and two executive Directors. On 6th July 2023, following the offer by Moonlight Bidco Ltd becoming unconditional the non-executive Directors resigned. Two representatives of IK Partners, Pete Wilson and Daniel O'Neil joined the Board of Topco on 13th April 2023. On 6th July 2023 Richard Jones, CFO and Stuart Quinn, CEO were appointed to the Board. On 1st January 2024 a new Chairman, Tom Riall was appointed to the Board. On 24th January 2024, the former CEO Stuart Quin resigned and moved from Executive to Non-Executive Director on 25th January 2024. On 15th April 2024, Andrew Cannon was appointed as CEO and joined the Board.

The current composition of the Board of six includes an independent non-executive Chairman, two IK representatives, two executive Directors and one independent non-Executive Director. Board members possess the required combination of skills, backgrounds, experience, and knowledge for their roles to provide constructive challenge and criticism, to enable effective decision-making and to promote responsibility, integrity and accountability through its corporate governance practices.

Full Board meetings are held monthly and the following sub-committees are in place:

- The Audit Committee,
- The Remuneration Committee
- The Clinical governance Committee

These committees are chaired by Non-Executives and meet as required. The Board retains responsibility for all final decisions. Details of current board members are as follows:

Tom Riall - Chairman

In addition to his role at Medica, Tom Riall has also been Chairman of mydentist, the country's largest dental network, since April 1, 2023 and is currently Chairman of Kingsbridge Healthcare Group in Ireland. Tom's expertise spans both healthcare services and the wider support services sector. He was previously the CEO of Priory Group, Europe's largest independent provider of mental health services, and prior to that held roles at Serco Group Plc, including CEO of their UK Government Division and CEO of their Global Services Division based in Mumbai, India. Tom completed the Advanced Management Programme at Harvard Business School and holds an MBA from the City University Business School,

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Andrew Cannon- CEO
Andrew Cannon joined Medica as CEO in April 2024. He previously served as Chief Executive Officer at Voyage Care for 8 years having joined from Bupa where he was Managing Director at Bupa Care Services and led a team of 27,000 individuals across 300 residential homes and five care villages, providing care for 40,000 people. Prior to this, he served as Director of Healthcare Delivery at Bupa, overseeing service call centres, claims management (in the UK and India), administration services, and a network of treatment 'Centres of Excellence' throughout the UK.

Andrew is a qualified accountant and holds an MBA in European Business, with distinction.

Richard Jones – Group Chief Financial Officer
Richard Jones joined Medica in August 2020 from Mereo BioPharma Group PLC, a clinical-stage biopharmaceutical company focused on oncology and rare diseases where he was CFO from January 2017. Richard has extensive experience in the healthcare sector, both from his more recent career as a CFO in two UK quoted companies and also from his prior experience in healthcare Investment Banking initially as a healthcare sector analyst and then in corporate finance as Head of Healthcare at Investec.

Richard joined Mereo from UK AIM listed Shield Therapeutics plc where he was Chief Financial Officer and Company Secretary from early 2011. At Shield he had a leading role establishing the finance and other operations and guiding Shield through its 2016 IPO.

Richard is also a Senior Independent non-executive Director and head of the Audit Committee at AIM listed Alliance Pharma PLC, having joined the board in January 2019. Richard qualified as a Chartered Accountant with PwC in 1991.

Pete Wilson – Non-Executive Director and IK representative
Pete Wilson is a Partner at IK Partners and leads IK's UK Mid Cap Investment team. He has significant investing and portfolio management experience across a range of industries and geographies.

Prior to joining IK, Pete was a Partner and Head of UK Private Equity at 3i Group, where he spent 15 years. He began his career in the Strategy group at Accenture, where he advised clients on transactions as well as corporate and market entry strategy projects. Pete has a first-class honours degree from the University of Warwick.

Daniel O-Neill – Non-Executive Director and IK representative
Daniel O'Neill is a Director in IK Partners' Mid Cap Investment team in London.

Prior to joining IK, Daniel was a Principal at Rubicon Partners, where he worked for eight years. Daniel has also previously worked at Robert W. Baird, Barclays and Merrill Lynch. He holds a BSc in Business Information Systems from University College Cork in Ireland, where he attained a First Class Honours degree.

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Stuart Quin – Non-Executive Director
Stuart Quin was previously CEO of Medica from September 2019 to January 2024. Stuart joined Medica from Synlab, the international laboratory diagnostic services provider, where he was regional Chief Executive of Central and Eastern Europe, Middle East and Africa.

Stuart brings a track record of delivering significant growth both in the UK and internationally and has extensive experience of working in partnership with the NHS both from his experience at Medica and in his prior career.

Stuart is currently a partner at Global Healthcare Opportunities a European specialist investor in global healthcare. He is a Fellow of the Royal Society of Medicine and the Royal Geographical Society.

Stakeholder engagement and Section 172 statement

The Directors of Moonlight Topco Limited are aware of their duty of care under section 172 of the Companies Act 2006 to act in a way they consider, in good faith, would be most likely to promote the success of the Group and Company and in so doing have regard (amongst other matters) to:

- The likely consequences of any decision in the long term
- The interests of the company's employees
- The need to foster the company's business relationships with suppliers, customers and others
- The impact of the company's operations on the community and the environment
- The desirability of the company maintaining a reputation for high standards of business conduct, and
- The need to act fairly as between members of the company

Long term decisions and actions
The directors are committed to developing and maintaining a governance framework that is appropriate to the business and supports effective decision making coupled with robust oversight of risks and internal controls. The directors monitor the performance of the Group and its subsidiaries to ensure they are meeting the requirements of the wider business. This requires a long-term view so that the directors can structure the business in a manner that enables it to most efficiently respond to changes in the market-place and return value to shareholders. The directors consider the possible long-term consequences of any material proposed course of action, including safety and financial impacts and reputation with all stakeholders.

Risks and Uncertainties

Managing risk is integral to the continued success of our business and our ability to offer safe and compliant critical services to our customers. The Group has continued to develop its risk management framework in 2023, following it’s acquisition by funds controlled by IK Partners. The Group has ensured that the processes in place have supported strategic risk-based decision-making and is clearly defined and quantified across all business divisions. It is through the risk management process that significant risks faced by the Group continue to be identified, assessed and managed appropriately.

The risk management process has been established and embedded within the Group and separately within the UK, Ireland, and US divisions, and is underpinned through the use of a suite of risk registers. Each Group register is maintained by an owner within the senior management team and is overseen by the risk moderator. The identification and evaluation of risks is carried out through collaboration between senior management and their teams.

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All emerging risks are identified, reviewed and assessed as part of the risk management framework process. Risks may also be identified through the use of industry and horizon scanning, internal forums and workshops with management teams. Any potential new risk is considered by the senior management team and its impact and likelihood is assessed before inclusion in the Group risk register.

The impact and likelihood of each risk are identified, and this generates a risk score that can be holistically judged on a relative scale to other risks and the changes to each individual risk over time. Existing controls are then identified and assessed resulting in a residual (or current) risk score being calculated.

The individual risk registers are reviewed by group and divisional management teams and then summarised in an overall corporate risk register that is regularly reviewed by the executive management and Board. The principal risks listed below are drawn from the risk registers and noted below is also how they are connected to the Group's strategic activities.

Medica's main strategic risks are as follows:

Cyber Risk
The Group's business could be significantly disrupted, and security compromised if a cyber incident (such as a successful ransomware attack) results in the loss of the confidentiality, integrity or availability of the information it processes. A successful cyber-attack could expose the Group to significant loss of operations, potential litigation, commercial, financial, and reputational damage. Cyber-attacks have continued to impact organisations globally and are trending in an industry agnostic manner. To mitigate this risk, Medica have undertaken a number of actions:

- The Group has implemented the cyber roadmap developed in 2021 to further invest in cyber security defence
- The Group has Data Protection Officers in the UK and Ireland and has a Group Information Security and Risk Officer.
- Certification against the UK Government approved Cyber Essentials was maintained in the year and has since been upgraded to Cyber Essentials + since the year end.
- The information security team continues to deliver a security awareness programme to all staff.

Advances in future technology
There is a risk that technology advances reduce our ability to offer a market-leading and best in class service to our clients. To mitigate this, the Group has an ongoing investment programme which continued to progress well during the year focused on the upgrade of technology and systems to create a more efficient and advanced platform for future growth. In addition, the UK continued to utilise its successfully launched AI tool to aid the identification of potential brain bleed in urgent reporting of suspected stroke patients, the first such tool launched in the UK.

MOONLIGHT TOPCO LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2023

Medical litigation
In the UK and Ireland, Medica is involved in services critical to patient care. The Group therefore is occasionally party to litigation and this could lead to defence costs relating to such patient facing activities In the UK and Ireland, primary insurance responsibilities remain with sub-contracted radiologists, subject to certain exceptions where the Group maintains primary cover. The Group also maintains comprehensive secondary medical malpractice cover and at least annually reviews its insurance requirements. Whilst limited professional costs were incurred during the year these were immaterial and within policy excess limits. The group has a comprehensive clinical quality and governance framework and regularly reviews all issues and incidents brought to its attention for swift resolution.

Compliance and regulation
The Group and its clients operate in a highly regulated landscape. This includes operating and complying to the standards and regulations set in each jurisdiction operated in. These include the CQC, NHS, HSE, the ICO and DPC (with particular note to the UK & EU GDPR). Failure to comply could lead to reputational and financial loss. The Group maintains internal processes, management systems, certifications and accreditations to ensure it operates within compliance of regulation. This includes:

- QSI accredited status in the UK
- Registered manager for CQC purposes
- CHKS accredited status in Ireland
- Certified ISO 9001 quality management system in the UK & Ireland
- Internal data protection policy and process, with ICO registration in relation to the ongoing requirements of UK and EU GDPR

The Group maintained certification for its UK quality management system to ISO 9001 whilst the UK and Irish divisions successfully completed an external survey to maintain CHKS accredited status in Ireland. The Group continues to monitor the regulation landscape on an ongoing basis.

Clinical Quality
The Group's radiology reporting in the UK and Ireland forms an integral and essential part of clinical management for patients. Inaccurate reporting could lead to patient harm and reputational damage to the Group.

This risk will always remain very high, due to the inherent nature of the industry. Medica continues to maintain and strengthen its comprehensive clinical governance, quality assurance and continuous improvement processes including:

- Medical Advisory Board with oversight by the group medical director
- Ongoing management of clinical quality with regular auditing of radiologists work
- Developing and implementing individual quality improvement plans where necessary

Financial Risks

Economic Risk
Inflation has put pressure on Medica's cost base particularly in wage and IT costs. Whilst inflation rates have materially reduced higher inflation will continue to be a risk over the next 12 months.

Liquidity Risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure that it has sufficient liquidity to meet its obligations under both normal and stressed conditions. The Group maintains sufficient cash and debt funding to support its ongoing needs.

Market Risk
Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates affect the Group's income or value of its holdings. The Group maintains appropriate interest rate hedging and manages its currency exposures through matching income to costs in local currencies as far as possible.

Our People
Medica continues to invest in its people and grow the size of its operational and clinical team in the UK, Ireland and US to support growth. Our focus remains on 'growing our own' staff. Examples of this include on-the-job training for sonographers and radiographers in Ireland which we are looking to expand in 2024 and clear career path management for our operations and clinical governance teams in the UK.

In the UK Medica launched its Apprenticeship Scheme in 2023 and currently have one Apprentice and will be adding an additional 2 in 2024. This will continue to grow in the coming years.

Medica are currently engaging with a number of staff who are interested in developing their future skills by means of Apprenticeship training while remaining working with Medica; for example, CIPD qualification, ACCA, Business Analyst, Marketing Level 6.

Medica has an annual wellbeing programme, with Lunch and Learns and Awareness Training to support staff and managers on a wide variety of topics; Mental Health awareness, Women's Health, Men's Health, Dignity at Work and managing Finances being some of the topics we have covered. This year we will be covering topics such as Nutrition, Sleep and Cancer Awareness.

Promoting equality, diversity and inclusion
Our people are our most valuable assets. They have been vital to the success of Medica as market leader in teleradiology in the UK and Ireland, as well as driving growth in our clinical trial imaging business. Our ability to attract, retain and develop a diverse and talented team is crucial to delivering our business strategy and ensuring our continued sustainability going forward. We are determined to make Medica a great place to work and have a firm commitment to equality of opportunity in all of our employment policies, practices and procedures. In 2023 Medica launched a Dignity at Work Policy and a Whistleblowing Policy and rolled out training for all staff that reinforced the policy messages. Our recruitment and selection processes are geared to selecting the best candidate regardless of their age, gender, sexuality, ethnicity, full or part-time status, disability and marital status and we have equal opportunity questionnaires as part of our recruitment process. In 2023 we introduced Recruitment Training for all hiring managers, to ensure that we have a consistent approach to recruitment and selection and an understanding of how to ensure equality in the selection process. Our equal opportunities policy ensures that no employee or applicant is discriminated against. We also apply these principles to the recruitment of the radiologists, radiographers, specialist doctors and other clinicians that we contract with across our business.

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Medica's gender diversity

Our board of directors in numbers

Number of individuals on the Board	6
Percentage of women on the Board	0%
Number of women holding chair or senior positions	0
Number from an ethnically diverse background	1

Our wider management team

Number of individuals on the WMT	40
Percentage of women on the WMT	53%
Number from an ethnically diverse background	1

Our employees in numbers

Total no. of employees[1]	451
Split by gender	Female – 60% Male – 40%

1. Total number of people employed (headcount)

Engaging with our teams across the group
An engaged team of employees and reporters is vital to our current and future success. We hold regular "town hall" style meetings to share updates of our progress and good news stories with employees across our UK, Ireland and US based teams. In Q1 2023, we also held the first Medica Company Day in the UK which gave the teams the opportunity to meet the executive team, hear first-hand about our evolving strategy and how they can get more involved. It was also an opportunity to be able to ask questions directly to management. Further updates are shared with our employees and reporters through our newsletter the 'Medica Reporter'. New members of our teams are welcomed into the business, including interview styled introductions. Alongside this we conduct regular education and "lunch and learn" sessions with employees, as well as organising a dedicated educational programme for our reporters which is run by one of our internal radiologist experts.

Attracting and retaining the highest calibre of medical expertise
The Group continues to invest in our dedicated in-house recruitment team and our approach to attract and retain our reporters and readers. Delivering telemedicine solutions with clinical excellence requires the highest calibre of expertise. Our clinical recruitment and retention strategy focuses on the needs of all stakeholders to ensure clinical quality for our clients and a satisfying and rewarding experience for our doctors. Although the majority of our reporters and readers are not employed with us, our strategy focuses on the importance of investing in ongoing professional development, training and regular audit which reinforces the quality of their reporting output. The addition of augmented intelligence tools also helps to assist our radiologists with reporting of critical, highly time sensitive diagnosis of stroke out-of-hours.

Our people strategy considers all aspects of a reporter and reader's interaction with us and encourages long-term retention. In addition to our dedicated reporter and reader recruitment and training teams, our reporter relationship functions in the UK and Ireland provide assistance with day-to-day queries, requirements and 24/7 support. Our clinical governance team oversee the management of our reporters. Ongoing investment in the UK is targeted to improve the workflow experience for reporters and functionality of the system to enhance both the quality of reports, as well as reporter productivity. We continue to invest in resources to support our reporting radiologists, radiographers and specialist doctors to ensure that they can be as productive as possible during the time that they spend with us.

Community

The Medica team is proud to work for a company that makes a real difference to improving patient welfare and contributes to saving lives. Our NightHawk™ and Elective services in the UK do this by providing high quality complex reports back to hospitals quickly to support diagnosis of illness and disease that directs the care of the patient. In Ireland, our diabetic retinopathy (DR) screening service can quickly identify and reduce the likelihood of blindness through a cost- effective screening approach. Further, in the US, we support our clients to analyse imaging data from clinical trials that aim to demonstrate safety and efficacy of novel therapies including for cancer.

We take our social responsibility very seriously, and as such have put in place a number of initiatives to help our local communities. In the UK, we have developed a Work Experience programme whereby students from local schools come in and join us for a week of structured work experience around key departments; Finance, IT, Operations. Also in the UK we are working in partnership with East Sussex Education to visit schools in the area to support the students on interview techniques, CV writing and presentation skills.

We have an ongoing commitment to donate to the local foodbank and have a number of fundraising activities each year across the Group that raise funds for charitable causes.

Relationships with suppliers and customers

At Medica, we strive always to lead all customer interactions with our partnership ethos and with our combined focus on improving patient outcomes. To that end, we take pride in producing regular quality reports for each client with key performance indicators, but also detail on our quality improvement achievements and areas for discussion. Meeting in person with our clients to review these metrics and assess how our services are impacting their care for patients is a unique value add that Medica offers.

RadMD provides medical expertise and oversight in support for our clients by bringing new diagnostic agents, therapeutic agents and advanced imaging AI tools to our sponsors and patients worldwide. We view our relationships with our sponsors as partnerships and work side by side to bring their products to market. Our approach is to deliver our high standards of clinical excellence to every opportunity taking a transformational approach that keeps imaging and patients in the forefront of all we do.

We believe in full transparency with our clients providing them not only KPI's and progress reporting but direct access to our executive and medical team, taking proactive measures to deliver complete information in real or near time. We also support the healthcare industry with sponsorship and attendance at key events, promoting innovation and collaboration with clients and suppliers alike. Recent attendance at the European Congress of Radiology saw stakeholders from Medica UK, Ireland and RadMD meet with Medica management and each other, furthering cross country and business relationships.

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In respect of our suppliers, we have a comprehensive new supplier introduction framework which includes assessment of their capabilities, GDPR and data security and whether they comply and conform with relevant other Medica policies. We have a number of strategic suppliers in respect of our IT and operational and client facing systems which we carefully manage and review on a regular basis.

Statement of compliance with the guidelines for disclosure and transparency in Private Equity. The Directors consider that the annual report and financial statements comply with all aspects of the Guidelines for Disclosure and Transparency in Private Equity.

By order of the board

DocuSigned by:
Richard Jones
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R C Jones
Director

Date: 24.05.2024

MOONLIGHT TOPCO LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2023

The directors present their report and financial statements for the period ended 31 December 2023.

Principal activities
The principal activity of the Company is that of an intermediate holding company used to facilitate the acquisition of Medica Group Limited and subsidiary undertakings ("Medica").

The principal activity of the Group is the provision of Teleradiology reporting, of which the Group is the leading independent provider in the UK, US & Ireland.

Directors
The directors who held office during the period and up to the date of signature of the financial statements were as follows:

R C Jones	(Appointed 6 July 2023)
D S O'Neill	(Appointed 13 April 2023)
S J Quin	(Appointed 6 July 2023)
T R P Riall	(Appointed 1 January 2024)
P J Wilson	(Appointed 13 April 2023)
A J Cannon	(Appointed 15 April 2024)

Results and dividends
The loss for the period, after taxation, amounted to £33.5m and total comprehensive income for the period amounted to £(33m).

Qualifying third party indemnity provisions
The Group has made qualifying third-party indemnity provisions for the benefit of its directors during the period. These provisions remain in force at the reporting date.

Going concern
The directors going concern assessment has concluded that the Group will have sufficient funds to continue to meet its liabilities as they fall due up until at least 31 December 2025 and the Board have therefore determined it is appropriate to adopt the going concern basis in preparing the financial statements. Further details are included in the going concern accounting policy.

Qualifying third party indemnity provisions
The group has made qualifying third-party indemnity provisions for the benefit of its directors during the period. These provisions remain in force at the reporting date.

Disabled persons
The Group is an equal opportunities employer, and our equal opportunities policy ensures that no employee or applicant is discriminated against. We also apply these principles to the recruitment of the radiologists, radiographers, specialist doctors and other clinicians that we contract with across our business.

We include equal opportunity questionnaires into our recruitment process to ensure that equal opportunities were offered, discrimination was prevented and under-represented groups were supported. Our aim is to create a culture of diversity and inclusivity and also to understand our workforce better. This will help us to target specific groups through our recruitment advertising, and also train hiring managers how to sift applications and conduct interviews fairly and without bias, and provide reasonable adjustments for disabled applicants.

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Engagement with suppliers and customers
The directors have considered the need to continue to foster business relationships with suppliers and customers throughout the period. There have been no significant decisions that have changed the relationships with suppliers of customers, and the strategic plan has had input from our reporters as we engage with them to improve workflow, and from clients as we engage with them to continue to focus on turnaround times and quality, Medica's operational teams are in contact with clients and reported every day. In addition we have a dedicated account management team that discuss performance with clients and hold regular review meetings. Our service delivery team include a dedicated reporter team that adopt a similar approach with our reporters. Our other key suppliers are technology, and this is managed through regular dialogue with our technical team.

Employee involvement
An engaged team of employees and reporters is vital to our current and future success. We hold regular "town hall" style meetings, to share updates of our progress and good news stories with employees across our UK, Ireland and US based teams. Updates are shared with our employees and reporters through our newsletter the 'Medica Reporter', and new members of our teams are welcomed into the business, including interview styled introductions. Alongside this we conduct regular education and "lunch and learn" sessions with employees, as well as organising a dedicated educational programme for our reporters which is run by one of our internal radiologist experts.

We understand that a work-life balance is important to our employees, and that they each have personal and family demands on their time. That is why we have flexible working arrangements and working from home options for the vast majority of our employees.

Engagement with other stakeholders
Further information on engagement with other stakeholders is provided in the Strategic Report.

Employee Benefit Trust
The Company operates an Employee Benefit Trust (EBT) whereby the EBT purchases shares of the Company to facilitate its share based payment scheme arrangements. At 31 December 2023 the Employee Benefit Trust (EBT) beneficially held 226,850 ordinary B shares, of which the EBT held as nominee 45,650 ordinary B shares under the beneficial ownership of employees, and also held 25,125 ordinary B shares in its own right for the purposes of the employee bonus share scheme. There were no shares over which share options had been granted.

Matters of strategic importance
Information is not shown within the Directors' Report as it is instead included within the Strategic Report under S414c(11), including engagement with other stakeholders, financial risk management and policies and future plans.

Auditor
The auditors Grant Thornton UK LLP were appointed during the period and will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

Statement of disclosure to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and

- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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Streamlined energy and carbon reporting

Minimising our environmental impact
Medica actively considers its environmental footprint and the impact that decisions may have on the environment and particularly climate change. As a technology & services focused Group with most of its staff either working from home or employed in one office location and radiologists contracted mainly from their own homes, we believe our own environmental footprint remains small. Our environmental policy sets out our core foundation of environmental and sustainability principles, a copy is available on our website at: https://medicagroupltd.com/home/about-us/esg/.

Medica have a well-established working from home policy in all divisions. This has resulted in higher levels of remote working and reduced travel into the office. Although we do not have the data available, we believe that reducing employee travel has positively impacted our related carbon footprint. We have continued to reduce our environmental impact through partnerships including leveraging existing delivery networks, rather than delivering reporter workstations around the UK ourselves. This also benefits our business with reduced lead times, quicker overall deployment of workstations and an improved experience for reporters. We continue to maintain our clear approach to recycling by encouraging those in the office to use conveniently placed bins for standard paper & plastic recyclables, and separate secure confidential paper recycling. Due to our approach to re-use equipment where practicable, we did not require any physical recycling by our Waste Electrical and Electronic Equipment (WEEE) regulated partners in 2023. Starting in 2022 we took steps to improve our recycling of computer equipment and Medica is working with a WEEE certified provider to recycle hundreds of devices - workstations, servers, screens, routers - anything that cannot be re-furbished and re-deployed. In 2023, our documents requiring execution were processed using an e-signature solution. The use of this solution has positively impacted our environmental impact with estimated savings of over 1,700kg of carbon, 100kg of physical waste, and 700kg of wood.

Since the year end, in the UK Medica has successfully completed the NHS Evergreen Sustainable Supplier Assessment, marking a pivotal step in aligning with the NHS's net zero and sustainability aspirations. The achievement highlights Medica's dedication to supporting NHS sustainability priorities and improving progress in this important area. Through attaining level 2 in the assessment, Medica has demonstrated its commitment to comprehensive net zero targets and reporting for carbon emissions; supporting its role as a leading advocate for sustainable business practices within the healthcare sector.

Our energy use and greenhouse gas (GHG) emissions during the year
The Group reports on energy consumption and the associated GHG emissions in compliance with the Streamlined Energy and Carbon Reporting (SECR) legislation. The scope includes our UK operations only. For 2023, our non- UK subsidiaries are not included as they are excluded by way of the SECR exemptions, as they would not be obliged if reporting on their own account and they are also considered immaterial. We did not purchase or combust fuel directly, so Scope 1 was not applicable. Scope 2 emissions are limited to our UK operations and specifically to electricity usage at our Group's head office building. We have also chosen for the first time to make a voluntary disclosure for Scope 3 emissions relating to business travel in employee-owned vehicles this year.

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Calculation methodology
The reporting methodology used is the GHG Protocol Corporate Accounting and Reporting Standard, operational control approach. This year we have also reported market-based scope 2 emissions as this data was made available from our third-party building landlord. The calculations for Scope 2 are derived from electricity meter readings for lighting and power and estimates where applicable. The calculations for Scope 3 are derived from mileage claims for UK employee expense forms for travel during the period. Scope 2 & 3 GHG emissions have been calculated this year using the 2022 UK Government GHG Conversion Factors for Company Reporting.

- **Scope 1:** includes emissions from activities for which the company own or control including combustion of fuel and operation of facilities for the UK.
- **Scope 2:** includes emissions from purchase of electricity, heat, steam or cooling for own use for the UK.
- **Scope 3:** includes emissions from business travel in employee-owned vehicles.

We have disclosed one intensity ratio this year and it is calculated based on total tCO2e emissions in the reporting period divided by total Group revenue in £m.

Greenhouse gas emissions

For the period from incorporation to 31 December 2023	**2023**
Scope 1 in tCO2e	-
Scope 2 (Location based) in tCO2e	
Purchased electricity	3.8
Total scope 2	3.8
Total Scope 1 and 2 in tCO2e	3.8
Intensity Ratio	
tCO2e per £m Revenue	0.1
Scope 2 emissions in metric tonnes CO2e (Market Based)	
Purchased Electricity	-
Total Scope 2 Market Based	-
Scope 3 emissions in metric tonnes CO2e	
Business travel in employee owed vehicles	6.89
Total scope 3	**6.89**
Total Energy Consumption used to calculate scope 1 & 2 emissions in kwh	
Electricity	17,829

By order of the board

DocuSigned by:
Richard Jones
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R C Jones
Director

Date: 24.05.2024

MOONLIGHT TOPCO LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2023

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 Group and Company financial statements for each financial year. Under that law the directors have elected to prepare Group financial statements in accordance with UK-adopted International Accounting Standards and to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 'Reduced Disclosure Framework'. 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 and profit or loss of the Company and 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;
- for Group financial statements, state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- for the Parent Company financial statements state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Company financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

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

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF MOONLIGHT TOPCO LIMITED

Opinion

We have audited the financial statements of Moonlight Topco Limited (the 'parent company') and its subsidiaries (the 'group') for the 9 month period ended 31 December 2023, which comprise the Consolidated statement of profit or loss and other Comprehensive income, the Consolidated statement of financial position, the Consolidated statement of cash flows, the Consolidated statement of changes in equity, the Company statement of financial position, the Company 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 the preparation of the group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 ‘Reduced Disclosure Framework’ (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2023 and of the group's loss for the period then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 ‘Auditor’s responsibilities for the audit of the financial statements’ section of our report. We are independent of the group and the parent 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. 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

We are responsible for concluding on the appropriateness of the directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor’s opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

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In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and the parent company's business model including effects arising from the economic impact of the cost of living crisis and corresponding cost pressures faced by the business. We assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the going concern period.

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 group's and the parent 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 Strategic Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Strategic 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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.

Opinions 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 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.

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 19, 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the Group and sector in which they operate. We determined that the following laws and regulations were most significant: UK-adopted international accounting standards, FRS 101 ‘Reduced Disclosure Framework’ (UK GAAP) (for the Company), Companies Act 2006 and relevant UK taxation laws.
- We enquired of management, the finance team and the Board of Directors about the Group’s and Company’s policies and procedures relating to the identification, evaluation and compliance with laws and regulations and the detection and response to the risks of fraud and the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations;
- We enquired of management and the Board of Directors whether they were aware of any instances of non-compliance with laws and regulations and whether they had any knowledge of actual, suspected or alleged fraud;
- We understood how the Group is complying with those legal and regulatory frameworks by making inquiries to the management, those responsible for legal and compliance procedures and the company secretary. We corroborated our inquiries through our review of Board minutes and papers provided to the Audit Committee.

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- We assessed the susceptibility of the Company's and Group's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the Group engagement team included:

  - Team communications in respect of potential non-compliance with laws and regulations and fraud which included the evaluation of the risk of management override of controls, principally in relation to the management adjustments to revenue;

  - Enquiring of management, the finance team and the Board about the risks of fraud at the Group and Company and the controls implemented to address those risks. Assessing the design and implementation of controls relevant to the audit that management has in place to prevent and detect fraud, including updating our understanding of the internal controls over journal entries, including those related to the posting of non-standard entries used to record non-recurring, unusual transactions or other non-routine adjustments;

  - Making specific inquiries of each member of the finance team to ascertain whether they had been subject to undue pressure or had been asked to make any unusual postings or modifications to reports used in financial reporting;

  - Identifying and testing journal entries selected based on risk profiling;

  - Running specific keyword searches (including to related parties and of those previously connected to related entities) over the journal entry population to identify descriptions that could indicate fraudulent activity or management override of controls. In addition, journal entries by user were evaluated to identify types of entries posted that were not in line with expectations of their role. Unusual entries noted from these searches were agreed to supporting documentation to verify the validity of the posting;

  - Planning specific procedures responding to the risk of fraudulent recognition of revenue;

  - Challenging assumptions and judgements made by management in its significant accounting estimates;

  - Identifying and testing related party transactions;

  - In assessing the potential risks of material misstatement, we obtained an understanding of the Group's and Company's operations, including the nature of income sources and of its objectives and strategies in order to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;

- The engagement partner assessed the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's understanding of, and practical experience with, audit engagements of a similar nature and complexity.

- For components at which audit procedures were performed, we requested component auditors to report to us instances of non-compliance with laws and regulations that gave rise to a risk of material misstatement of the group financial statements.

- No such matters were identified by the component auditors.

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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. 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:
Grant Thornton UK LLP
0A77AB5B3AAB40D...
Christopher Smith BA (Hons) ACA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

24.05.2024
.... 2024

MOONLIGHT TOPCO LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2023

	Note	31 December 2023 Underlying £'000	Non-Underlying (note 6) £'000	Total £'000
Revenue	**4**	50,714	-	50,714
Cost of sales		(25,596)	-	(25,596)
Gross profit		25,118	-	25,118
Administrative expenses		(15,193)	(29,241)	(44,434)
Operating profit/(loss)	**5**	9,925	(29,241)	(19,316)
Finance costs (net)	**7**	(15,300)	(200)	(15,500)
Share of results of joint venture		(97)	-	(97)
Loss before tax		(5,472)	(29,441)	(34,913)
Income tax	**8**	(1,112)	2,481	1,369
Loss for the period attributable to owners of the parent		(6,584)	(26,960)	(33,544)
Other comprehensive income				
Items that will be reclassified subsequently to profit or loss:				
Foreign exchange translation differences				503
Total comprehensive expense for the period attributable to owners of the parent				(33,041)

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MOONLIGHT TOPCO LIMITED

Company Registration No. 14799592

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	2023 £'000
Assets		
Non-current assets		
Goodwill	**10**	172,392
Other intangible assets	**11**	88,039
Property, plant and equipment	**12**	4,840
Investments	**14**	42
Total non-current assets		265,313
Current assets		
Trade and other receivables	**17**	22,278
Current tax assets		530
Cash and cash equivalents	**18**	12,496
Total current assets		35,304
Total assets		300,617
Liabilities		
Current liabilities		
Trade and other payables	**19**	25,986
Lease liabilities	**13**	138
Contingent consideration		387
Total current liabilities		26,511
Net current assets		8,793
Non-current liabilities		
Trade and other payables	**19**	48
Borrowings	**20**	287,674
Lease liabilities	**13**	696
Deferred tax	**21**	16,326
Total non-current liabilities		304,744
Total liabilities		331,255
Net liabilities		(30,638)

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	Note	2023 £'000
Equity		
Share capital	**22**	25
Share premium	**22**	2,730
Foreign exchange reserve	**22**	503
EBT reserve	**22**	(363)
Retained earnings	**22**	(33,533)
Total equity		(30,638)

The financial statements on pages 25 to 73 were approved by the board of directors and authorised for issue on 24.05.2024 ……………………….. and are signed on its behalf by:

DocuSigned by:

Richard Jones

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R C Jones
Director

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MOONLIGHT TOPCO LIMITED

Company Registration No. 14799592

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	2023 £'000
Assets		
Non-current assets		
Investments	**14**	210,155
Total non-current assets		210,155
Current assets		
Trade and other receivables	**17**	363
Cash and cash equivalents	**18**	237
Total current assets		600
Total assets		210,755
Liabilities		
Current liabilities		
Trade and other payables	**19**	11,368
Total current liabilities		11,368
Net current liabilities		(10,768)
Non-current liabilities		
Trade and other payables	**19**	48
Borrowings	**20**	207,341
Total non-current liabilities		207,389
Total liabilities		218,757
Net liabilities		(8,002)

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COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2023

Equity		
Share capital	**22**	25
Share premium	**22**	2,730
Retained earnings	**22**	(10,757)
Total equity		(8,002)

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes as it prepares group accounts. The Company's loss and total comprehensive income for the period was £(10,768k).

The financial statements on pages 25 to 73 were approved by the board of directors and authorised for issue on 24.05.2024 and are signed on its behalf by:

DocuSigned by:

Richard Jones

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R C Jones
Director

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MOONLIGHT TOPCO LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2023

	Note	2023 £
Net cash outflow from operating activities	**26**	(2,288)
Cash flows from investing activities		
Purchase of subsidiaries, net of cash acquired	**16**	(258,227)
Purchase of software intangibles	**11**	(200)
Purchase of property, plant and equipment	**12**	(1,639)
Contingent consideration paid	**23**	(173)
Investment in joint ventures	**14**	(27)
Net cash outflow investing activities		(260,266)
Cash flows from financing activities		
Repayment of lease liabilities	**13**	(147)
Proceeds from borrowings, net of transaction costs	**20**	80,080
Repayment of borrowings	**20**	(10,252)
Issue of ordinary share capital	**22**	2,755
Issue of preference share capital	**20**	207,341
Interest paid	**7**	(4,725)
Net cash inflow from financing activities		275,052
Net increase in cash and cash equivalents		12,498
Cash and cash equivalents, beginning of period		-
Foreign exchange on cash and cash equivalents		(2)
Cash and cash equivalents at end of period	**18**	12,496

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MOONLIGHT TOPCO LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2023

	Note	Share capital £'000	Share premium £'000	Foreign exchange reserve £'000	EBT reserve £'000	Retained earnings £'000	Total equity £'000
Issue of share capital	**22**	25	2,730	-	-	-	2,755
Purchase of shares by EBT	**24**	-	-	-	(363)	-	(363)
Share based payments	**25**	-	-	-	-	11	11
Total transactions with owners		25	2,730	-	(363)	11	2,403
Loss for the period		-	-	-	-	(33,544)	(33,544)
Other comprehensive income							
Foreign exchange translation differences		-	-	503	-	-	503
Total comprehensive expense for the period		-	-	503	-	(33,544)	(33,041)
Balance at 31 December 2023		25	2,730	503	(363)	(33,533)	(30,638)

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MOONLIGHT TOPCO LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2023

	Notes	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
Issue of share capital	**22**	25	2,730	-	2,755
Share based payments	**25**	-	-	11	11
Total transactions with owners		25	2,730	11	2,766
Loss for the period		-	-	(10,768)	(10,768)
Total comprehensive expense for the period		-	-	(10,768)	(10,768)
Balance at 31 December 2023		25	2,730	(10,757)	(8,002)

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1 General information

Moonlight Topco Limited ("the Company") was incorporated in England and Wales on 13 April 2023 under the Companies Act 2006 (registration number 14799592) and is domiciled in the United Kingdom. Its registered office and principal place of business is 6th Floor, One Priory Square, Priory Street, Hastings, East Sussex, TN34 1EA.

The consolidated financial statements of the Group for the period ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as "the Group"). The Group's principal activity is the provision of teleradiology reporting and is the leading independent provider in both the UK and Ireland.

2 Accounting policies

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

Basis of preparation

The consolidated financial statements of Moonlight Topco Limited and its subsidiary undertakings (together "the Group") for the period ended 31 December 2023 have been prepared by the directors in accordance with UK-adopted International Accounting Standards.

The preparation of consolidated financial statements in accordance with UK-adopted International Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3 to the financial statements.

The consolidated financial statements are presented in £ (Sterling), the presentational and functional currency of the Company, rounded to the nearest £'000.

Reduced disclosures

The figures presented in relation to the Company's individual financial statements have been prepared in accordance with FRS 101 Reduced Disclosure Framework ("FRS 101") and the Companies Act 2006.

In accordance with FRS 101 the following exemptions from the requirements of IFRS have been applied in the preparation of the company financial statements and, where relevant, equivalent disclosures have been made in the consolidated financial statements of the parent company:

- Presentation of a Company Cash Flow Statement and related notes;
- Related party disclosures in respect of two or more wholly owned members of the group;
- Disclosure of the future impact of new International Financial Reporting Standards in issue but not yet effective at the reporting date;
- Disclosure of the objectives, policies and processes for managing capital;
- Inclusion of an explicit and unreserved statement of compliance with IFRS;
- Disclosure of company key management compensation;
- Disclosure of the categories of financial instrument and nature and extent of risks arising on these financial instruments;
- Share based payment disclosures required under IFRS 2.

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The financial statements of the Company are consolidated within these financial statements.

Reporting period
The Company was incorporated on 13 April 2023 and its accounting reference date was shortened to 31 December 2023 to align with the acquired group of entities. As a result the current period represents a 9-month period. The Group acquired Medica Group Limited on 6 July 2023.

Going concern
The Directors have prepared cashflow forecasts to the period ending 31 December 2025 (the forecast period). These indicate that the Group will have sufficient funds to meet its liabilities as they fall due, and will continue to comply with its loan covenants, throughout the forecast period.

The forecasts have been prepared by reference to the 2024 approved budget and detailed bottom-up forecasts for the following financial period which have considered realistic downside scenarios including:

- Impact of reduced revenue from consideration of reduced radiologist availability
- Loss of certain material contracts
- Further material inflationary pressure on operating costs more than current expectations

Under these downside scenarios, individually and even in the severe/implausible cumulative scenario, excluding any potential mitigating actions that could be taken, management conclude that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 19 months from the date of approval of the financial statements and the Board have therefore determined it is appropriate to adopt the going concern basis in preparing the financial statements.

Adoption of new and revised standards and interpretations
The following amendments to existing standards and new interpretations became effective in the current period, but have no significant impact on the Group's consolidated financial statements:

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (effective 1 January 2023)
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (effective 1 January 2023)

A number of new standards and amendments to standards and interpretations issued are not yet effective for annual periods beginning after 1 January 2024, and have not been early adopted in preparing these consolidated financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Group:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective 1 January 2024)
- Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2024).
- Amendments to IFRS 16 related to Lease Liability in a Sale and Leaseback (effective 1 January 2024).

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Basis of consolidation
The Group financial statements consolidate those of the Company and all of its subsidiary undertakings drawn up to 31 December 2023. All subsidiaries have the same reporting date and use accounting policies consistent with those of the Company. Moonlight Topco Limited ("the Group") controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

Unrealised gains and losses on transactions between Group companies are eliminated. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Business combinations
Business combinations are dealt with by the acquisition method. The acquisition method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated statement of financial position at their provisional fair values which are then finalised within a 12 month period and, which are also used as the basis for subsequent measurement in accordance with the Group accounting policies. Goodwill is stated after separating out identifiable intangible assets.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Where the settlement of any part of cash consideration is deferred, including any amounts acquired on business combinations, the amounts payable in the future are discounted to their present value using a probability weighted expected value approach. Contingent consideration is classified either as equity or as a financial liability and is recognised at fair value on the acquisition date. Amounts classified as a financial liability are subsequently re-measured to fair value in accordance with IFRS 9 (Financial Instruments), with changes in fair value recognised in the consolidated statement of comprehensive income as a finance cost.

Directly attributable acquisition costs are expensed as incurred within profit or loss as non-underlying administrative expenses.

Investments
Subsidiaries
In the Company only financial statements, investments in subsidiaries are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at cost less impairment.

Joint ventures
Investments in associates and joint ventures are accounted for using the equity method.

The carrying amount of the investment in joint ventures is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group.

Unrealised gains and losses on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

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Revenue
The Group recognises revenue in accordance with the requirement of IFRS 15 and in the five-step model set out within the standard.

STEP 1 Identifying the contract with the customer
The Group accounts for contracts with customers within the scope of IFRS 15 only when all of the following criteria are met:

1. The Group and the customer have approved the outline contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;
2. The Group can identify each party’s rights regarding the services to be transferred;
3. For Reader Revenue services, the Group receives an order or request to deliver a radiology report; or for iCRO contracts, the Group receives a work order for an ongoing and specific services;
4. The Group can identify the payment terms for services to be transferred;
5. The contract has commercial substance (i.e. the risk, timing or amount of the Group’s future cash flows is expected to change as a result of the contract); and
6. It is probable that the Group will collect the consideration to which it will be entitled in exchange for the services that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, the Group considers only the customer’s ability and intention to pay that amount of consideration when it is due.

STEP 2 Identifying the performance obligations
At contract inception, the Group assesses the services promised within the contract and identifies as a performance obligation each promise to transfer to the customer either:

a. A good or service (or a bundle of services) that is distinct; or
b. A series of distinct services that are substantially the same and that have the same pattern of transfer to the customer.

Reader Revenue
In the UK and Ireland the only identifiable performance obligation is the delivery of a radiology report which diagnoses a patient using images provided by the client into the client’s Radiology Information System (RIS) by a suitable radiologist in an agreed timescale based upon an order received from the customer under the agreed contract. In the US the only identifiable performance obligation is the delivery of a radiology report in either the client’s radiology information system or via image transfer, by a suitable radiologist in an agreed timescale based upon an order received from the customer under the contract. This is a teleradiology service.

In the UK, the Group’s customers are responsible for producing the image for the radiologist’s review and the Group is responsible for arranging for the review by the radiologist. In Ireland, some contracts are ‘fully managed’ and the Group provides the staff and/or the equipment required to produce the image. In management’s view, these additional services are not separable from the overriding performance obligation discussed above.

iCRO Revenue
These contracts involve supporting our customers in completing various clinical trials by assisting with the reviewing of images as well as providing practical support including training to our customers, just as we do for our Reader Revenue services.

The iCRO contracts are more complex and detailed in nature and cover more elements of the clinical trial imaging management than reader services. The typical length of an iCRO contract is approximately three years.

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Within the contracts, there are several distinct performance obligations which reflect the nature of the particular clinical trial, how advanced the trial is, and the number of patients and imaging sites. These include study start up, project management, reader training, independent image reviews, technical imaging services, study reporting, study close out and end of study imagine transfer.

STEP 3 Determining the transaction price

Reader Revenue
Each contract has a detailed schedule of prices for each different type of radiology report. The pricing is based on the type of images diagnosed, the complexity of the report and the nature of the report (for example whether it is emergency or elective).

Some contracts are subject to minimum usage over a given period of time, providing Moonlight Topco with a minimum expected revenue stream for those contracts.

iCRO Revenue
Each contract has a detailed schedule of prices for each promise within the contract. The fees for the various promises have a mix of charging models, including unit costs (for example: per hour, per scan reviewed, etc), monthly costs billed each month for a specified period, or fixed costs billed on the delivery of an item.

Each work order sets out a budget, setting out the expected consideration under the contract and setting out the expected value of any variable items.

There are performance obligations set out in the work orders which are only completed at the option of the customer. The budgets allocated against these performance obligations are equal to the stand-alone selling price of each option, and therefore no substantive rights are created as a result of Moonlight Topco providing these options.

On that basis, the total transaction price is considered to be the total budgeted costs excluding any optional items.

STEP 4 Allocating the transaction price to the separate performance obligations

Reader Revenue
There is only one performance obligation and accordingly the transaction price is allocated to the delivery of the individual report.

iCRO Revenue
The detailed budget included in each work order sets out the expected costs of each promise within the contract. The total of the budgeted costs for the promises included within each performance obligation are considered by Moonlight Topco to equal the stand-alone selling price of that performance obligation.

STEP 5 Recognising revenue when performance obligations are satisfied

Reader Revenue
Reader Revenue is recognised when the performance obligation is satisfied, which in the UK is when the report is delivered to the client's Radiology Information System (RIS) and in Ireland is when the report is delivered to the clients National Integrated Medical Imaging System (NIMIS). In the US Reader Revenue is recognised when the report is uploaded to either the client or specified third party system. Each transaction is recognised as a separate chargeable event. Control passes to the customer once the report is submitted, at which point Group becomes entitled to consideration for the services provided. The client is charged for services provided at the end of the month.

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iCRO Revenue
Moonlight Topco uses the output method for determining appropriate revenue recognition for these contracts. As such, items billed per unit eg independent image reviews, are recognised as that unit is delivered to the customer. Revenue from monthly cost items eg project management, is recognised over the month in question, and fixed document items are recognised at a point in time when the document is delivered to the client.

There are certain exceptions to this for example for startup and closeout costs. These are performance obligations which are generally present in iCRO contracts.

Startup is key to the process and there are many inputs to make sure the study is set up accurately and effectively. The Group typically invoices start-up costs at the end of the first month of the contract. However, this phase of work typically extends over additional months and total start up revenues are therefore collectively recognised over that period of time. Closeout costs include items such as final study reporting including quality control and final data transfer that culminate the work of the study. The group typically invoices close out costs at the end of the month after the delivery of these elements. However, the performance obligation is typically recognised over the period of the close out activity.

All revenue recognised in the income statement is from contracts with customers and no other revenue has been recognised. No provision for expected credit losses have been recognised on any receivables or contract assets arising from a contract with a customer as past experience indicates that expected losses are immaterial reflecting the nature of the customer base.

A disaggregation of revenue in the UK is shown in Note 4 as part of the segmental analysis. There are no other relevant categories of revenue other than reporting modalities which are monitored by the directors.

Timing differences, Accrued and Deferred Revenue

UK
In the UK, due to the nature of the Group's contractual relationship with customers and the nature of the services provided, there are no timing differences between revenue recognised in the income statement and trade receivables being recognised in the statement of financial position.

Ireland
In Ireland there are different arrangements around billing for work performed by the Group. In some cases, customers pay in advance for a specified number of reviewed images in a specified time period. As in the UK, revenue is recognised at the point each image is reviewed. Timing differences in respect of the dates of invoicing and payment with the dates of the scan reviews creates timing differences which appear in accrued or deferred revenue as appropriate.

USA
In the USA there can be some timing differences between the recognition of revenue and the trade receivables being recognised. Typically, these relate to deposits and start up received in advance of work being completed, as well as work completed to date on fixed-rate deliverables under iCRO contracts which were not fully completed, delivered to the customer and billed at the reporting date. These differences result in a liability of deferred revenue recognised on the statement of financial position in trade and other payables.

There have been no significant judgements regarding the timing of transactions or price.

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Transaction Price
Transaction price is set out in individual contractual agreements and there is a range of prices based on the types of service offered. There are no variable pricing considerations for Reader Revenue contracts. The iCRO contracts contain items which are billed at hourly rates specified in the contracts. Strictly, this would typically be classed as variable pricing, however, due to the terms of the contract (discussed above), revenue is recognised as the time is spent.

No assets were recognised from costs to obtain or fulfil a contract with any customer.

Contract modifications
Contract modifications which either create new or change existing rights and obligations are accounted as a separate contract if the scope of the contract increases because of the addition of promised goods or services that are distinct and the price of the contract increases by an amount of consideration that reflects the Group's stand-alone selling prices of the additional promised services. Where modifications are not accounted for as a separate contract the Group accounts for the remaining promised services as if it were a part of the existing contract and the effect that the contract modification has on the transaction price is recognised as an adjustment to revenue at the date of the contract modification.

Finance income and finance costs
Interest income and expenses are reported on an accrual basis using the effective interest method.

Leasing
The right of use asset is initially measured at the amount of the lease liability plus any lease payments made at or before the commencement date (less any lease incentives received), plus any initial direct costs incurred in agreeing the lease, plus an estimate of future dismantling, removal and restoration costs. Subsequent to the initial measurement the right of use asset is accounted for using the cost model set out in IAS 16 Property, Plant and Equipment, which is based on depreciating the asset over the estimated useful economic life. Assets are depreciated on a straight-line basis over the term of the lease.

In connection with the Group's right of use assets as at 31 December 2023 there were no lease payments that had been made prior to the commencement of the lease, nor any lease incentives, nor has the Group made any structural or other changes to any right of use assets that would require material costs in respect of dismantling, removal or restoration.

The initial recognition of the lease liability has been based on discounting the cashflows associated with the lease using the rate implicit in the lease agreement, or where this is not readily available, the Group's incremental borrowing rate. After initial measurement the Group charges the lease liability with the interest cost to unwind the discount factor and reduces the liability by the amount of contractual payments made annually.

In reviewing the leases, the directors took into consideration those which were long term leases, those which were short term leases, the underlying asset value and the lease and non-lease components.

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Low value and short-term leases
Leases of low value assets and short-term leases with a term of twelve months or less, have continued to be recognised as an operating expense and it was determined that all of these short term leases (mostly for reporting centres) had termination clauses of three months or less and therefore could be readily terminated if required.

The directors have set a guideline of £5,000 or less lease value as the threshold for determining the value of a potential lease asset. All the short-term leases are therefore also considered low value assets and have been excluded from right of use assets.

Where the Group is a lessee, payments on low value and short-term operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred. Benefits received and receivable as an incentive to enter an operating lease are also spread on a straight-line basis over the lease term.

Property, plant and equipment
Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Depreciation is calculated to write down the cost less estimated residual value of all property, plant and equipment by equal annual instalments over their expected useful lives less estimated residual values, using the straight-line method. The rates generally applicable are:

Computer equipment	- 20% to 33% per annum
Leasehold improvements	- Over the life of the lease term
Medical equipment	- 20% per annum
Right-of-use assets	- Over the life of the lease term

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The assets' residual value and useful lives are reviewed, and adjusted if required, at each reporting date. The carrying amount of an asset is written down to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

Impairment of property plant and equipment
At each balance sheet date, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior periods.

A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant assets are carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Intangible assets
An intangible asset, which is an identifiable non-monetary asset without physical substance, is recognised to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that its cost can be measured reliably. The asset is deemed to be identifiable when it is separable or when it arises from contractual or other legal rights.

Intangible assets acquired as part of a business combination, are shown at fair value at the date of the acquisition less accumulated amortisation. Amortisation is charged on a straight-line basis through the profit or loss. The rates applicable, which represent the directors' best estimate of the useful economic life, are:

Customer relationships	- 15 years
Customer contracts	- 5 years
Brand	- 15 years
Software and technology	- 10 years

Internal development costs
Expenditure on the research phase of projects to develop new projects is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements:

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

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

Directly attributable costs include employee costs incurred on software development along with an appropriate portion of relevant overheads and borrowing costs.

Internally generated assets recognised on the balance sheet are amortised from the date at which an individual project is complete or live and amortised over the useful economic life of the project.

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Impairment of intangible assets
Goodwill
Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but tested annually for impairment. Impairment losses in respect of goodwill cannot be subsequently reversed.

At each balance sheet date, the Group performs an annual impairment review of goodwill and any intangible assets with an indefinite useful economic life. The recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Other intangible assets
Other intangible assets, except those under development are not tested for impairment annually, only when there is an objective indicator of impairment. Intangible assets under development are tested for impairment annually. Where an impairment indicator is identified, an impairment test is carried out by comparing the carrying of the assets with its recoverable amount. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Taxation
Tax expenses recognised in profit or loss comprise the sum of the tax currently payable and deferred tax not recognised in other comprehensive income or directly in equity.

Current tax
The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax
Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be recognised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries except where the Group can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to recognise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset recognised based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand.

Financial instruments
Recognition, initial measurement and derecognition
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, substantial modification of the terms of an existing financial liability shall be accounted for as an extinguishment of the original liability and the recognition of a financial liability. A substantial modification of terms occurs when the discounted present value of the cash flows under the new terms is at least 10% different from the discounted present value of the remaining cash flows of the original facility.

The only types of financial assets held by the Group are trade and other receivables and cash and cash equivalents.

Financial assets at amortised cost
Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group’s cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

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The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all receivables. The Group's customers are mostly state-owned entities such as hospitals, as such credit loss is not significant.

The expected loss rates are based on the payment profile of sales over 36 months before 31 December 2023 or 1 January 2023 respectively. The Group then considers future expected credit losses due to any other expected circumstances in addition to applying historical loss rates.

Classification and subsequent measurement of financial liabilities
The Group's financial liabilities include borrowings, trade and other payables and lease liabilities. Financial liabilities are measured subsequently at amortised cost using the effective interest method except for leases accounted for in accordance with IFRS 16.

Equity, reserves and dividend payments
Share capital represents the nominal value of shares that have been issued.

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

Retained earnings include all current and prior period retained profits or losses.

Dividend distributions payable to equity shareholders are included in 'other liabilities' when the dividends have been approved in a general meeting prior to the reporting date.

Non-underlying items
The Group has applied an income statement format which seeks to highlight significant items within Group results for the period such as one-off acquisition costs, and other non-operating costs such as the amortisation of acquired intangibles and share-based payments. The Group exercises judgement in assessing the particular items which, by virtue of their scale and nature should be disclosed in the income statement and related notes as non-underlying items. The Group believes that such a presentation is useful for the users of the financial statements in helping to provide a balanced view of, and relevant information on, the Group's underlying financial performance. Details are included in note 6.

Employee benefits
Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

Own shares held by Employee Benefit Trust
The Group operates an Employee Benefit Trust (EBT) and has de facto control of the company's own shares held by the trust and bears their benefits and risks. The group records assets and liabilities of the EBT as its own. Own shares held by the EBT are recorded at cost and deducted from equity.

Share based payments
Moonlight Topco operates share-based payment arrangements, under which the Group receives services from employees in consideration for equity instruments (share options and shares) of the group or cash amounts based on the value of the group's equity instruments. Information relating to these schemes is set out in note 25.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the period.

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Equity-settled share-based payments are measured at fair value at the date of grant. Fair value is measured using either the Binomial options pricing model or Monte Carlo simulations, whichever is more appropriate to the share-based payment arrangement. Market-based performance criteria and non-vesting conditions (for example, the requirement for employees to make contributions to the share purchase programme) are reflected in this measurement of fair value. The fair value determined at the grant date is recognised as an expense on a straight-line basis over the vesting period, based on the group's estimate of the options or shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions. Non-market-based vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication the number of share options expected to vest differs from previous estimates. Any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period.

Service and performance conditions are vesting conditions. Any other conditions are non-vesting conditions which have to be taken into account to determine the fair value of equity instruments granted. In the case that an award or option does not vest because of a failure to meet a non-vesting condition that is within the control of either counterparty, this is accounted for as a cancellation. Cancellations are treated as accelerated vesting and all remaining future charges are immediately recognised in the income statement. As the requirement to save under an employee save as you earn arrangement is a non-vesting condition, employee cancellations, other than through a termination of service, are treated as an accelerated vesting. No adjustment is made to total equity for awards that lapse or are forfeited after the vesting date.

When the options are exercised, shares are either transferred to the employee from the employee benefit trust or by issuing new shares. Any proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

The award by the Company of share-based compensation awards over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution only if it is left unsettled. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

A deferred tax asset is recognised on share options based on the intrinsic value of the options, which is calculated as the difference between the fair value of the shares under option at the reporting date and exercise price of the share options. The deferred tax asset is utilised when the share options are exercised or released when share options lapse.

Foreign currency translation
Foreign currency transactions and balances
Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at period-end exchange rates are recognised in profit or loss.

Monetary assets and liabilities are translated into the functional currency of the concerned entity of the Group using the exchange rates at the reporting date. Gains and losses arising from changes in exchange rates after the date of the transaction are recognised in profit or loss.

Non-monetary items are not retranslated at the period-end. They are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

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Foreign operations
In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the £ (Sterling) are translated into £ upon consolidation. The functional currencies of entities within the Group have remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into £ at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into £ at the closing rate. Income and expenses have been translated into £ at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

3 Critical accounting estimates and areas of judgement

The preparation of financial statements under IFRS requires the Group to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions which have a risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below.

Key judgements
The were no significant or material key judgements made by management in applying the accounting policies of the group.

Sources of estimation uncertainty
The following are estimates made by management in measuring the assets, liabilities, income, and expenses:

Carrying value of goodwill and other intangible assets
The group tests annually whether goodwill and other intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations which require estimates in respect of the allocation of goodwill to cash-generating units, the future cash flows and an appropriate discount rate. The key inputs to the value-in-use calculations are provided in note 10.

The useful life of acquired intangible assets
The Group recognises the intangible assets acquired as part of business combinations at fair value at the date of acquisition. These fair values were determined by experts engaged by management and based upon management's and the directors' judgement and includes assumptions on the timing and amount of future incremental cash flows generated by the assets and selection of an appropriate discount rate. Management have estimated the expected useful lives of intangible assets and charged amortisation on these assets accordingly. At the reporting date no impairments to other intangible assets were recognised in the period.

Brand
The directors considered the strength of the Medica brand in the teleradiology and wider healthcare sector in the UK, Ireland and US. They also considered the strength of the RadMD brand in the iCRO sector. In their judgement, the directors consider that the brands are expected to continue to be used for the foreseeable future and have therefore estimated a useful life of 15 years.

3 Critical accounting estimates and areas of judgement (continued)

Customer relationships & contracts
In assessing the useful economic life of customer relationships, the directors considered the importance of long-term relationships. In their judgement the directors consider that given the limited number of NHS Trusts and HSE clients and the fact that most of the revenue came from long standing, government funded clients that the useful economic life for customer relationships is estimated at 15 years.

In the US there is a customer contract backlog and large key customers with long standing relationships that have multiple phase trails over a number of years for which the useful economic life of the customer relationships is estimated at 5 and 15 years respectively.

Software & technology
In assessing the useful economic life of the technology purchased the directors judgement was that the technology was core to the business and whilst requiring ongoing investment was not expected to fundamentally change for a considerable period. Therefore, the directors have estimated the useful economic life as 10 years for software and technology.

The table below sets out the carrying amounts of the separately identifiable intangible assets acquired, together with the estimated useful lives assessed by the directors and the resultant amortisation charges recognised in the period.

Intangible asset	Directors' estimate of useful life (years)	Carrying amount at 31 December 2023 £'000	Amortisation charge for period ended 31 December 2023 £'000
Brand	15	10,122	392
Customer relationships	15	73,013	2,733
Customer contracts	5	3,352	373
Software & technology	10	1,552	274
		88,039	3,772

The Group's reported profit is sensitive to changes in the estimated useful economic lives of the acquisition intangibles, owing to the amortisation charges for the period which are calculated by reference to the estimated useful lives. The table below demonstrates the impact on reported profits before tax of applying different values to the estimated useful lives.

Intangible assets	Directors' estimate of useful life (years)	-50% change in estimate (years)	Decrease in reported profit for period ended 31 December 2023 £'000	+50% change in estimate (years)	Increase in reported profit for period ended 31 December 2023 £'000
Brand	15	7.5	392	22.5	131
Customer relationships	15	7.5	2,733	22.5	911
Customer contracts	5	2.5	373	7.5	124
Software & technology	10	5	274	15	91
			3,772		1,257

4 Revenue

Management prepare and monitor financial information for the Group's three key geographies, UK, Ireland and the US. This financial information is reviewed and used by the Chief Operational Decision Maker (considered to be the CEO) in managing the operating activities of the Group.

In the UK, the Group generates revenues via two key service lines, Nighthawk (urgent and quick turnaround services) and Elective both of which are. In Ireland revenues are generated from tele-radiology, managed services, and a contract with the National Screening Service to deliver Ophthalmology services. In the US revenues are generated from providing radiology reporting to Pharma customers directly as full service iCRO services and indirectly via Contract Research Organisations (CRO's) as reader only services. These activities are collectively referred to as imaging core lab services.

2023	**Teleradiology Services**		**Clinical Trial Reporting**	**Total**
	UK	**Ireland**	**US**	
	£'000	**£'000**	**£'000**	**£'000**
Revenue from external customers	35,119	9,269	6,326	50,714
Timing of revenue recognition				
At a point in time	35,119	9,269	5,669	50,057
Over time	-	-	657	657
Total	35,119	9,269	6,326	50,714

5 Operating profit/(loss)

The operating profit and loss before taxation are stated after:

	2023
	£'000
Auditors remuneration	
Fees payable to the Company's auditor for the audit of the Group and Company's annual accounts	200

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5 Operating profit/(loss) (continued)

	2023 £'000
Operating lease rentals – short term and low value leases	93
Depreciation: property, plant and equipment – owned	862
Depreciation: property, plant and equipment – leased	142
Impairment of property, plant and equipment – owned	62
Impairment of property, plant and equipment – leased	195
Amortisation of intangible assets on acquisition	3,498
Amortisation of intangible assets on other assets	274
Impairment of intangible assets	7,381
Impairment of goodwill	6,584
Loss on disposal of property plant and equipment and intangible assets	147

Analysis of expenses by nature

The breakdown by nature of cost of sales and operating expenses is as follows:

	2023 £'000
Amortisation & impairment of goodwill & intangible assets (note 10 & note 11)	17,737
Depreciation & impairment of property, plant and equipment (note 12)	1,261
Loss on disposal of property plant and equipment and intangible assets	147
Operating lease rentals – short term and low value leases	93
Staff costs (note 9)	11,083
Auditors remuneration	200
Legal and professional fees	10,883
Self-employed clinical specialists & other direct costs	24,127
IT related costs	2,282
Travel and accommodation costs	432
Insurance	489
Other non-underlying items (see note 6)	1,247
Other expenses	49
Total cost of sales and administrative expenses	70,030

MOONLIGHT TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2023

6 Non-underlying items

	2023 £'000
Amortisation of acquired intangible assets	3,498
Impairment of goodwill & intangible assets	13,965
Impairment of property, plant and equipment	257
Loss on disposal of property, plant and equipment and intangible assets	147
Acquisition costs incurred	10,068
Share based payment charge	59
Project related costs	1,026
Other one-off costs	221
Total non-underlying costs included within operating expenses	29,241
Amortisation of loan arrangement fees	253
Fair value adjustment on contingent consideration	(53)
Total non-underlying costs before tax	29,441
Income tax	(2,481)
Total non-underlying items after taxation	26,960

Foreign exchange relates to revaluation gains on external overseas loans used to finance the acquisition of subsidiary entities.

7 Finance costs (net)

	2023 £'000
Finance costs	
Loan interest and charges	4,628
Finance costs on lease liabilities	21
Preference share interest	10,430
Amortisation of loan arrangement fees	253
Foreign exchange differences on bank loans	221
	15,553
Finance income	
Fair value adjustment on contingent consideration	(53)
Total finance costs (net)	15,500

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8 Income tax

	2023 £'000
Current tax	
UK current tax expense	89
Foreign current tax expense	463
Total current tax	552
Deferred tax	
Origination and reversal of timing differences	(2,503)
Effect of rate change	582
Total deferred tax	(1,921)
Total income tax credit on ordinary activities	(1,369)

UK corporation tax is assessed on the profit on ordinary activities for the period and is the same as the standard rate of corporation tax is as follows:

- UK 25%
- Ireland 12.5%
- USA (Federal & state) 21%

Factors affecting the tax expense for the period:

	2023 £'000
Loss on ordinary activities before tax before tax	(34,913)
Income tax using the Company's domestic tax rate 25%	(8,728)
Effects of:	
Expenses not deductible in determining taxable profit	6,838
Impact of difference in overseas tax rates	(60)
Impact of changes in tax rates	582
Utilisation of deferred tax previously unrecognised	(1)
Total tax credit for period	(1,369)

The impact of changes in tax rates relates to an increase in state tax in the USA.

MOONLIGHT TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2023

9 Employees

The average monthly number of persons (including directors) employed by the Group during the period was:

	Group 2023 No	Company 2023 No
Clinical governance and quality assurance	19	-
Commercial	34	-
IT	43	-
Operations	257	-
Senior leadership team	8	3
Support functions	69	-
	430	3

The aggregate cost of these employees were:	Group 2023 £'000	Company 2023 £'000
Wages and salaries	10,112	-
Social security costs	624	-
Pension costs	288	-
Share based payments charge	59	-
	11,083	-

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9 Employees (continued)

Directors' emoluments paid during the period and included in the above figures were:

Directors' remuneration	**2023** **£'000**
Emoluments	793
Company contributions to money purchase pension schemes	16
Total remuneration	809

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2023 **£'000**
Emoluments	198
Company contributions to money purchase pension schemes	-
Total remuneration	198

During the period retirement benefits accrued to 3 directors in respect of defined contribution pension schemes.

Key management personnel remuneration includes the following expenses:

	2023 **£'000**
Wages and salaries	793
Social security costs	109
Company contributions to money purchase pension schemes	16
	918

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10 Goodwill

	2023
	£'000
Group	
Cost	
Additions on business combination	178,976
31 December 2023	178,976
Impairment	
Impairment expense	6,584
At 31 December 2023	6,584
Net book value at 31 December 2023	172,392

The Company had no goodwill at 31 December 2023.

Goodwill is not amortised but tested annually for impairment. A bottom up valuation methodology was employed using a discounted cash flow (DCF) approach based on the future expected cashflows of each identified CGU based on the smallest identifiable unit where separate cashflows could be identified.

The Cash Generating Units (CGUs) were as follows:

- The UK trading business representing UK tele-radiology
- Medical Diagnostics Ireland (MDI) representing tele-radiology and managed services
- The US business covering imaging core lab services (tele-radiology) to pharma and CRO clients (RAD)

The recoverable amount of each CGU mentioned above was based on value in use which was calculated using DCF methodology with the following key inputs:

- Country and sector specific post-tax WACC of 11.5% (MRL), 11.5% (MDI), 19.0% (RAD) which was determined to represent the best input for each CGU individually.
- Baseline forecasts for FY 2024 based on the Board approved budget.
- Additional forecasts to FY 2027 based on the board approved long range plan
- Terminal Value calculated using EV/EBITDA Multiples at exit based on multiples for each CGU at entry for MDI, MVI and RAD and based on an assessment of comparator companies in respect of MRL.

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10 Goodwill (continued)

Managements' key assumptions in the forecasts which have been derived from past experience, market data and management's expectations of future growth rates in the business are:

Revenue drivers

- For all CGU's: Expected contract renewals, expected pricing changes and potential contract wins and losses.
- For MRL: Underlying growth in demand for both elective and out of hours services to tackle the material backlog in diagnostic procedures together with anticipated growth in radiologist capacity.
- For MDI: Anticipated growth in contracted base, particularly focused on growth in NightHawk type CT on call contracts.
- For RAD: Continued growth in clinical trials and imaging reporting requirements associated with such trials based on the existing orderbook and pipeline.

Cost drivers

- Inflationary impact on operating costs including employee costs together with the annualised impact of prior period headcount changes for FY 2024.

The recoverable amount of each CGU is then compared to the carrying amount of each CGU, including goodwill and acquired intangible assets allocated to each unit to consider indication of impairment.

Management is not currently aware of any other reasonably possible changes to key assumptions that would cause the carrying amount of any of CGUs to exceed their recoverable amounts post the adjustment for RAD. There is sufficient headroom in the UK & Ireland CGU's therefore no indicators of impairment have been identified.

Due to the reduction in growth expectations (driven by a significant contract slowdown), the US CGU will be impaired. The value of goodwill per the 2023 acquisition PPA report is £6,584k, with the balance of impairment allocated to other assets as follows:

US Cash Generating Unit	**Cost £'000**	**Amortisation/ depreciation £'000**	**Impairment £'000**	**Carrying value £'000**
Intangibles				
Goodwill	6,584	-	(6,584)	-
Customer relationships	7,129	(238)	(6,131)	760
Customer contracts	3,725	(373)	-	3,352
Brand	1,453	(48)	(1,250)	155
	18,891	(659)	(13,965)	4,267
Property, plant and equipment				
Computer equipment	80	(18)	(62)	-
Leasehold property	240	(45)	(195)	-
	320	(63)	(257)	-

11 Other Intangibles

Group

	Customer relationships £'000	Customer contracts £'000	Brand £'000	Software and technology £'000	Total £'000
Cost					
Acquisitions through business combination	81,877	3,725	11,764	3,763	101,129
Additions	-	-	-	200	200
Disposals	-	-	-	(119)	(119)
31 December 2023	81,877	3,725	11,764	3,844	101,210
Amortisation and impairment					
Acquisitions through business combinations	-	-	-	2,022	2,022
Amortisation charged in the period	2,733	373	392	274	3,772
Impairment	6,131	-	1,250	-	7,381
Eliminated in respect of disposals	-	-	-	(4)	(4)
31 December 2023	8,864	373	1,642	2,292	13,171
Net book value					
31 December 2023	73,013	3,352	10,122	1,552	88,039

The Company had no other intangibles at 31 December 2023.

The material remaining amortisation period for each class of material intangibles is as follows:

- Customer relationships – 14.5 years
- Brand – 14.5 years

All amortisation charges are included within administrative expenses in profit or loss.

MOONLIGHT TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2023

12 Property, plant and equipment

Group	**Leasehold property £'000**	**Leasehold improvements £'000**	**Computer equipment £'000**	**Medical equipment £'000**	**Total £'000**
Cost					
Acquisitions through business combination	959	69	11,683	3,088	15,799
Additions	-	-	1,646	163	1,809
Disposals	-	(18)	(2,505)	(373)	(2,896)
Exchange adjustment	(1)	-	1	2	2
31 December 2023	958	51	10,825	2,880	14,714
Depreciation and impairment					
Acquisitions through business combinations	632	44	8,310	2,465	11,451
Depreciation charged in the period	102	1	821	80	1,004
Impairment	195	-	62	-	257
Eliminated in respect of disposals	-	-	(2,499)	(345)	(2,844)
Exchange adjustment	(1)	-	3	4	6
31 December 2023	928	45	6,697	2,204	9,874
Net book value					
31 December 2023	30	6	4,128	676	4,840

The Company had no property, plant and equipment at 31 December 2023.

The Group's right-of-use assets relate solely to leasehold property and medical equipment.

All depreciation charges are included within administrative expenses in profit or loss.

	2023 £'000
Carrying amount of right-of-use assets included within:	
Leasehold property	30
Medical equipment	439
Carrying value at 31 December 2023	469

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13 Lease liabilities

Under IFRS 16 Leases the Group undertakes assessments of all its leases.

The directors have determined that, based on current strategic business plans, the applicable lease term of the UK property lease is up to the five-year break clause. The directors will continue to review this annually and at any time if they are reasonably certain that the extension of the lease will be required the lease liability and right of use asset will be revalued.

The Irish business has leases for property and medical equipment. The head office property lease is for ten years and has a five-year break clause.

The US businesses has one property lease which ends in May 2028.

In calculating the present value of the lease liabilities and the right of use asset, where there was no implicit rate within lease the directors applied the Group's estimated incremental borrowing rate of 9.8% in the UK, 5.9% in Ireland and 3% in the US.

The total cash outflow for leases amounted to £147k in the 2023 period.

The Group has commitments in respect of short term lease agreements which are not recognised in the consolidated statement of financial position. Management consider these lease agreements to be immaterial.

2023	**Gross contractual commitment £'000**	**Less, future finance charges £'000**	**Net commitment £'000**
Lease liabilities fall due in:			
Less than one year	186	(48)	138
Between one and five years	819	(123)	696
	1,005	(171)	834

14 Investments

Group

	Joint ventures £'000
Cost or valuation	
Acquisitions through business combination	112
Additions	27
Share of results from joint venture	(97)
31 December 2023	42

14 Investments (continued)

Company

	Subsidiary undertakings £'000
Cost or valuation	
Additions	210,155
31 December 2023	210,155

15 Subsidiary undertakings & joint ventures

	Class of share held	Country of incorporation	Proportion held	Nature of business
Moonlight Midco 1 Limited	Ordinary	England & Wales	100%	Intermediate holding company
Moonlight Midco 2 Limited	Ordinary	England & Wales	100%	Intermediate holding company
Moonlight Bidco Limited	Ordinary	England & Wales	100%	Intermediate holding company
Medica Group Limited	Ordinary	England & Wales	100%	Intermediate holding company
Medica Reporting Limited	Ordinary	England & Wales	100%	Teleradiology reporting
Medica IT Services Limited	Ordinary	England & Wales	100%	IT services
JCA Seminars Limited	Ordinary	England & Wales	100%	Seminar management
Global Diagnostics Ireland Limited	Ordinary	Ireland	100%	Teleradiology and managed services
Global Retinopathy Screening Limited	Ordinary	Ireland	100%	Diabetic retinopathy screening
Medica US, Inc.	Ordinary	United States of America	100%	Holding company
RadMD Inc	Ordinary	United States of America	100%	Imaging core labs
Medica Australia Pty Limited	Ordinary	Australia	100%	Teleradiology reporting
MED-IDX Pty Limited	Ordinary	Australia	50%	Teleradiology reporting

All UK subsidiaries have the same registered address as the Group being: 6th Floor One Priory Square, Priory Street, Hastings, TN34 1EA.

The Irish subsidiaries' registered address is: Floor 1 Block 14, Rockfield Medical Campus, Balally, Dublin 16, Ireland.

The United States of America subsidiaries' registered address is: 251 Little Falls Drive, Wilmington, DE 19808

Medica Australia Pty Limited's registered address is: c/o KPMG, Level 38, Tower 3 300 Barangaroo Avenue Sydney NSW 2000, Australia.

Med-IDX trades as MedX and its registered address is: Level 9, 45 William Street, Melbourne VIC 3000, Australia.

15 Subsidiary undertakings & joint ventures (continued)

Audit exemption
The entities listed below have taken the exemption in section 479A of the Companies Act 2006 (the Act) from the requirement in the Act for its individual accounts to be audited. In order for the audit exemption to be taken, the Company has guaranteed all outstanding liabilities of the entities listed below at 31 December 2023 until those liabilities are satisfied in full.

- Moonlight Midco 1 Limited (Registered number: 14800953)
- Moonlight Midco 2 Limited (Registered number: 14801188)
- Moonlight Bidco Limited (Registered number: 14801401)
- Medica Group Limited (Registered number: 08497963)
- Medica Reporting Limited (Registered number 05026045)
- Medica IT Services Limited (Registered number 13014281)
- JCA Seminars Limited (Registered number 08845619)

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16 Acquisitions

On 6 July 2023 the company acquired 100% of the ordinary share capital of Medica Group Limited and its subsidiary undertakings.

	Book value £'000	Fair value adjustment £'000	Fair value at date of acquisition £'000
Other intangible assets	1,741	97,366	99,107
Property, plant and equipment	4,348	-	4,348
Investments	112	-	112
Trade and other receivables	22,805	-	22,805
Current tax	542	-	542
Cash and cash equivalents	9,917	-	9,917
Total assets	39,465	97,366	136,831
Trade and other payables	18,360	-	18,360
Borrowings	10,252	-	10,252
Lease liabilities	821	-	821
Deferred tax liability (net)	(4,020)	22,250	18,230
Total liabilities	25,413	22,250	47,663
Net assets acquired			89,168
Goodwill			178,976
Total consideration			268,144
Satisfied by:			
- Cash			268,144

The goodwill is attributable to the workforce and future profitability of the acquired business. It will not be deductible for tax purposes.

Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:

	£'000
Revenue	50,714
Profit before tax	7,046

If the Moonlight Topco group had traded for a full year, revenue would have been an estimated £95,298k and loss before tax would have been an estimated £16,745k.

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17 Trade and other receivables

	Group 2023 £'000	Company 2023 £'000
Current		
Trade receivables	16,954	-
Other receivables	1,042	363
Prepayments	2,465	-
Accrued revenue	1,365	-
VAT recoverable	452	-
	22,278	363

All trade receivable amounts are short term. The carrying value is considered a fair approximation of their fair value. Since the group's revenue is derived primarily from public sector clients including NHS Trusts in the UK and HSE clients in Ireland and multinational pharma businesses in the US, management considers that all the above financial assets are of good credit quality and no changes in credit quality have been experienced since initial recognition.

The Group applies an expected credit loss model in estimating a provision for future credit losses. At 31 December 2023 the group determined that any such provision was not material to the group based on historical analysis of credit losses.

18 Cash and cash equivalents

	Group 2023 £'000	Company 2023 £'000
Commercial current accounts	12,496	237

19 Trade and other payables

	Group 2023 £'000	Company 2023 £'000
Current		
Trade payables	7,526	-
Amounts due to group undertakings	600	600
Other taxation and social security	425	-
Accruals	16,207	10,430
Deferred income	438	-
Other short-term payables	790	338
	25,986	11,368
Non-current		
Share based payment liability	48	48

Included within other short-term payables is £20k relating to outstanding retirement benefits obligations.

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19 Trade and other payables (continued)

The directors consider that the carrying value of trade and other payables are a reasonable approximation of fair value. The contractual maturity of all amounts within current payables above are within one year of the balance sheet date.

20 Borrowings

	Group 2023 £'000	Company 2023 £'000
Non-current		
Bank loans	80,333	-
Preference shares	207,341	207,341
	287,674	207,341

Bank loans
The Group has a term loan facility of £84.3m, repayable in July 2030 which is secured against the assets of the Company and subsidiary undertakings. Interest is charged at SONIA (subject to a floor of 1%) plus a margin of between 5.5% and 6.5% depending on the group's net leverage ratio. The loan facility has a prepayment option, the value of which is deemed to be immaterial.

Additionally, the Group has access to an acquisition and capex facility up to £25m, on the same terms as the term loan facility. No amounts had been drawn on this facility at 31 December 2023.

Preference shares
The preference shares are redeemable at 31 October 2033 and accrue a non-discretionary dividend of 12% per annum.

Interest of £10,430k has been accrued on the preference shares, and is included within accruals due within one year.

21 Deferred tax

Deferred tax included in the statement of financial position is as follows:

	Group 2023 £'000	Company 2023 £'000
Depreciation in excess of capital allowances	322	-
Deferred tax on intangible assets	16,535	-
Deferred tax on losses	(323)	-
Other short term timing differences	(208)	-
	16,326	-

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21 Deferred tax (continued)

Deferred tax balances are split between (assets) / liabilities as follows:

	Group 2023 £'000	Company 2023 £'000
Deferred tax liabilities	16,326	-
Net position at 31 December 2023	16,326	-

Reconciliation of movement in deferred tax

	Depreciation in excess of capital allowances £'000	Intangible assets £'000	Losses £'000	Other short term timing differences £'000	Total £'000
Acquired on business combination	97	18,703	(162)	(408)	18,230
Recognised in the income statement	220	(2,175)	(166)	200	(1,921)
Foreign exchange	5	7	5	-	17
31 December 2023	322	16,535	(323)	(208)	16,326

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22 Equity

Share Capital

	2023 £'000
2,075,000 A Ordinary shares of £0.01 each	21
425,000 B Ordinary shares of £0.01 each	4
	25
207,341,218 Preference shares of £1 each, classified as liabilities	207,341

Issue of share capital during the period
On 13 April 2023 the Company was incorporated with £0.01 Ordinary Share which was subsequently redesignated as 1 A Ordinary Share.

On 1 August 2023 the Company issued 2,074,998 £0.01 A Ordinary shares for consideration of £2,075,000 and 50,000 £0.01 B Ordinary shares for consideration of £80,000. Additionally, the Company also issued 207,341,218 £1 Preference shares for consideration of £207,341,218.

On 18 October 2023 375,000 £0.01 B Ordinary shares were issued for consideration of £600,000.

Rights attributable to issued shares
A Ordinary and B Ordinary rank pari passu in regards to dividend distributions, voting rights and return of capital upon liquidation following the repayment of preference shares.

Preference shares
The preference shares are classified as liabilities and their terms are set out in note 20.

Share premium
Consideration received for shares issued above their nominal value, net of transaction costs.

Foreign currency reserve
The translation reserve represents foreign exchange gains and losses arising on the retranslation of the Company's foreign subsidiaries.

EBT reserve
The EBT reserve represents the Group's investment in its own shares which are held for the future benefit of employees.

Retained earnings
Cumulative profit and loss net of distributions to owners.

MOONLIGHT TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2023

23 Financial instruments and financial risk management

Categories of financial instrument

Financial assets	**Group 2023 £'000**
Loan and receivables at amortised cost:	
Trade and other receivables	19,361
Cash and cash equivalents	12,496
	31,857

Financial liabilities	**Group 2023 £'000**
Measured at amortised cost:	
Trade and other payables	22,394
Lease liabilities	834
Borrowings	287,674
	310,902
Measured at fair value through profit and loss:	
Contingent consideration	387
Total financial liabilities	311,289

Maturity of non-derivative financial liabilities

Group

2023	**Contingent consideration £'000**	**Trade payables and accruals £'000**	**Lease liability £'000**	**Borrowings £'000**	**Total £'000**
Carrying value	387	22,394	834	287,674	311,289
1 year or less	387	22,394	186	9,256	32,223
Between 1 and 5 years	-	-	819	37,024	37,843
5 years and over	-	-	-	752,363	752,363
Contractual cashflows	387	22,394	1,005	798,643	822,429

The above amounts reflect the undiscounted contractual cash flows, which may differ from the carrying values of the liabilities at the reporting date. The maturity analysis above assumes that interest rates remain as they were at 31 December 2023.

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23 Financial instruments and financial risk management (continued)

Reconciliation of liabilities arising from financing activities

Group

2023	**Bank loans £'000**	**Preference shares £'000**	**Lease liability £'000**	**Contingent consideration £'000**	**Total £'000**
At 13 April 2023	-	-	-	-	-
Acquisitions through business combinations	10,252	-	821	1,337	12,410
Additions	-	-	170	-	170
Disposals	-	-	-	(529)	(529)
Cash flows:					
Drawdowns	84,300	207,341	-	-	291,641
Repayments	(10,252)	-	(147)	(173)	(10,572)
Arrangement fees capitalised	(4,220)	-	-	-	(4,220)
Non-cash:					
Interest	-	-	21	-	21
Amortisation of finance costs	253	-	-	-	253
Fair value adjustments	-	-	-	(53)	(53)
Foreign exchange	-	-	(31)	(195)	(226)
At 31 December 2023	80,333	207,341	834	387	288,895

Fair value measurement of financial instruments
The methods used to measure financial assets and liabilities reported at fair value are described below.

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level of the fair value hierarchy which the measurement of the contingent consideration represents is a Level 3 valuation, as defined in IFRS 13: Fair Value Measurement, whereby inputs are not based on observable market data.

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23 Financial instruments and financial risk management (continued)

Financial risk management
The Group is exposed to various risks in relation to financial instruments. The Group's financial instruments comprise cash and liquid resources and various items, such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations. The principal financial risks faced by the Group are liquidity, credit and interest rate risks. The Group has an exposure to transactional currency risk with its Irish, US and Australian subsidiaries as well as payment of some amounts in Euros and USD. It also has reporting currency risk with its Irish, US and Australian subsidiaries.

The Group's risk management is coordinated at its headquarters, in close cooperation with the Board of Directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets for speculative purposes, nor does it write options. The most significant financial risks to which the Group is exposed are described below.

Credit risk
The Group's principal financial assets are cash and cash equivalents and trade and other receivables. The Group has no significant credit risk. The maximum exposure to credit risk is that shown within the balance sheet. All amounts are short term and management consider the amounts to be of good credit quality.

Liquidity/funding risk
The Group's funding strategy is to ensure a mix of funding sources offering flexibility and cost effectiveness to match the requirements of the Group. Operating subsidiaries are financed by retained profits. The Group manages liquidity risk by maintaining adequate reserves and agreed committed banking facilities.

Interest rate risk
The Group holds the majority of its cash and cash equivalents in corporate current accounts. At 31 December 2023 the Group had £79.9m outstanding on the bank loan. Interest under the bank loan is charged at SONIA (subject to a floor of 1%) plus a margin between 5.5% and 6.5% depending on the Group's net leverage ratio. As this is a variable rate depending both SONIA and Group leverage the total interest rate payable can and does vary.

Preference shares attract interest at a fixed coupon of 12% per annum. The interest accrues and is not paid. The Group is therefore able to effectively manage its exposure to preference share interest as it is fixed and the interest accrued is therefore known.

Foreign currency risk
The Group has cash, intercompany and contingent consideration balances held in non-functional currencies which exposes the Group to USD and EUR currency exchange rates. There is an immaterial exposure to transactional exchange differences as all subsidiaries trade in their local currencies with a small number of transactions in other currencies. The Group's exposure is reduced by a natural hedge through its subsidiaries which operate in the US and Europe. Management monitors foreign currency payment requirements and where needed, can draw down on the RCF in foreign currencies to mitigate the exposure. The Group does not currently have a requirement to hedge against currency risk but management continue to monitor the need to undertake such activity as the Group becomes more international.

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23 Financial instruments and financial risk management (continued)

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts shown are those reported to key management translated into GBP at the closing rate.

	USD $'000	EUR €'000
Financial assets	20,194	5,236
Financial liabilities	-	(4,436)
Total exposure at 31 December 2023	20,194	800

Capital risk management
The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders and to maintain a capital structure that optimises the debt and equity balance.

The capital structure of the Group consists of debt, which includes loans and preference shares; cash and cash equivalents; and equity attributable to equity holders of the parent, comprising issued capital, retained earnings and other reserves as disclosed in the consolidated statement of changes in equity.

The gearing ratios at the end of the reporting periods were as follows:

	2023 £'000
Debt due within one year	-
Debt due after one year	287,674
Cash and bank balances	(12,496)
Net debt	275,178
Total negative equity	(30,638)
Total capital	244,540
Net debt to total capital	113%

Debt is defined as long and short-term borrowings. Equity includes all capital and reserves of the Group.

23 Financial instruments and financial risk management (continued)

Sensitivity analysis:

Interest rate
The Group's £79.9m bank loan is at variable interest rates of SONIA (subject to a floor of 1%) plus a margin between 5.5% and 6.5% depending on the Group's net leverage ratio. This Group therefore has a potential risk that the fair value of future cash flows may fluctuate because of changes in market interest rates.

At 31 December 2023, if the total interest payable on the all the facilities had been 1% higher with all other variables held constant, post-tax profit for the period and total equity would have been reduced by £371k, arising as a result of higher interest expense on variable borrowings.

Preference shares accrue interest at a fixed coupon of 12% per annum.

Foreign currency
The following illustrates the sensitivity of profit and equity in relating to the Group’s financial assets and financial liabilities and the USD/GBP exchange rate and EUR/GBP exchange rate ‘all other things being equal’. It assumes a +/- 10% change of the GBP/USD exchange rate for the period ended on 31 December 2023. A +/- 5% change is considered for the GBP/EUR exchange rate. Both percentages have been determined based on the fluctuations in exchange rates in the period. The sensitivity analysis is based on the Group’s foreign currency financial instruments held at each reporting date.

- A +/- 10% change of the GBP/USD exchange rate would have an impact on profit and equity of +/- £2,019k.

- A +/- 5% change of the GBP/EUR exchange rate would have an impact on profit and equity of +/- £40k.

24 Shares held by Employee Benefit Trust

The transactions, assets and liabilities of the Employee Benefit Trust (EBT) have been treated as those of the Group.

At 31 December 2023 the Employee Benefit Trust (EBT) beneficially held 226,850 ordinary B shares. There were no shares over which share options had been granted.

25,125 of the ordinary B shares beneficially held by the EBT are held for the purpose of employee bonus share scheme arrangements, whereby bonuses payable to allocated employees are paid based on the value of the B shares. These arrangements qualify as cash-settled share-based payments, further details of which are set out in the share-based payments note to these financial statements.

The EBT holds 45,650 ordinary B shares as nominee where beneficial ownership is with members of the group’s management team. As these shares are beneficially owned by the individuals, they are not accounted for as shares owned by the EBT.

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25 Share based payments

Cash-settled share based payments
The Group maintains a cash-settled share-based payment arrangement in the form of an employee bonus share scheme. This arrangement provides that certain employees will receive share consideration at an exit event being a portion the value of the Group. Accordingly, the Group has recorded a cash settled share based payment expense and corresponding liability of £48k.

Equity-settled share based payments
The Group has recorded an equity settled share based payment expense of £11k. The fair value has been determined using the fair value of the group at the grant date.

Summary of the number of options and movements in the period are as follows:

	Number of options No.	Weighted average exercise price £
Brought forward	-	-
Granted	166,749	-
Carried forward	166,749	-
Exercisable	-	-

The remaining weighted average contractual life of options is 6.75 years.

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26 Notes of cash flow statement

	Group 2023 £'000
Loss before tax	(34,913)
Adjustments for:	
Depreciation of property, plant and equipment	1,004
impairment of property, plant and equipment	257
Amortisation of intangible assets	3,772
Impairment of goodwill & intangible assets	13,965
Loss on disposal of property, plant and equipment & intangible assets	147
Share based payments	59
Net foreign exchange difference	552
Finance costs (net)	15,500
Share of results of joint ventures	97
Operating cash flows before movements in working capital	440
Movements in working capital:	
Decrease in trade and other receivables	(962)
Increase in trade and other payables	(1,446)
	(2,408)
Cash used in operations	(1,968)
Tax paid	(320)
Net cash outflow from operating activities	(2,288)

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets is approximately equal to their fair value.

Consolidated analysis of changes in net debt

	13 April 2023 £'000	Cashflow £'000	On acquisition £'000	Other non-cash changes £'000	31 December 2023 £'000
Cash at bank balances	-	12,498	-	(2)	12,496
Lease liabilities	-	147	(821)	(160)	(834)
Borrowings	-	(277,169)	(10,252)	(253)	(287,674)
Total net debt	-	(264,524)	(11,073)	(415)	(276,012)

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27 Transactions with directors and other related parties

Key management personnel (which the Group defines as the Board of Directors) remuneration paid to Directors are disclosed in Note 9.

During the period the Group and Company issued 207,341,218 £1 Preference shares to ordinary shareholders for consideration of £207,342k. These preference shares have been treated as debt. At 31 December 2023 £10,430k of dividends were recognised on these preference shares of which were unpaid at the year-end.

At the 31 December 2023 the Group and Company owed £600k to the immediate parent company, Lux Holdco Sarl.

28 Controlling party

The immediate parent company is Lux Holdco Sarl a company registered in Luxembourg and owned by the funds under the management of IK Investment Partners AIFM, which is owned by IK Investment Partners Sarl (Luxembourg).

The directors consider there to be no single ultimate controlling party.