



Defib Machines

ANNUAL REPORT 2022



Making life saving an affordable reality

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AT PRESENT,
DEFIB MACHINES
HAS THE LARGEST
NUMBER OF SITED AEDS
THROUGHOUT THE UK,
OUTSIDE THE NHS.

We have grown a customer base of which we are immensely proud, from small companies who are looking to provide lifesaving equipment to their close-knit workforce, to some of the largest brands in the UK aiming to improve the health and well-being of their staff nationwide.

50

of our devices have been deployed over the last 12 months and, where a shock was given to a patient in ventricular fibrillation, **our devices have saved every one of those lives.**

DIRECTORS AND OTHER INFORMATION

Directors

Mr C E M Armitage
Mr C M Gilbert
Mr J C Gilbert
Mrs D C Armitage

Secretary

Mr C M Gilbert

Company Number

07503896

Registered Office

West One
Wellington Street
Leeds
LS1 1BA

Accountants

Hodgson Hey Limited
Heritage Exchange
South Lane
Elland
HX5 0HG

Bankers

Lloyds Bank plc
Vicar Lane Branch Leeds
Birmingham OSC4
Sheldon
Birmingham
B26 3JW

INTRODUCTION

**JONATHAN GILBERT,
MANAGING DIRECTOR**



Our mission is to make businesses and communities throughout the UK 'heartsafe'. We are proud to be making life-saving technology – through the deployment of automated external defibrillators (AEDs) - not only affordable but an everyday reality.

We set up the business in 2015 with the view that a price point of £1-per-day for an AED, all consumables (which can cost hundreds of pounds every few years), onsite training and regular servicing would be attractive to our initial SME target market, especially as we would immediately swap the device if it was ever deployed. It became clear quickly that 'defibs as a managed service' was in fact also highly attractive to large, multi-site organisations, as well as community groups and many others.

Our success since our establishment has been nothing short of remarkable. In the last seven years **Defib Machines Limited** (Defib Machines) has not only had a lasting effect on the defibrillator market in the UK, but as a business has seen continued and sustained growth, culminating in this year's record performance.

I am pleased that we remain the only company to provide an all-inclusive package at a competitive price, but also conscious that the expectations of customers are rightly increasing. Many suppliers of AEDs now include some elements of our offer as additional extras, such as servicing and on-site health checks, or replacing pads and batteries if the device is used and provides a shock. It is clear that the market is moving towards providing more than just a 'shock in a box' which is what is provided with an AED alone.

All this means that we cannot stand still. Having acquired and trained a dedicated team of experienced Technicians and built a trusted relationship with our suppliers, we were well placed to deal with the surge in demand for our unique services that was evident over the last 12 months, and to cope without any business disruption with the extensive worldwide defibrillator supply issues. In fact, our main supplier, Stryker Corporation, awarded us two of its most prestigious awards, '2021 Highest Growth' and '2021 Ace of Marketing' for all of EMEA.

I am proud that we are leading this culture shift within our sector, that we continue to innovate and remain ahead of the curve of our competitors. Mine and the Board's ultimate hope is that this refocusing on the offer within the industry will lead to greater awareness of AEDs and, in turn, result in improved survival rates throughout the UK from cardiac arrests.

Companies we work with range across industries and some of the leading brands we are proud to call partners include:



Marshall

bruntwood



ERIKS



HOW TO USE AN AED



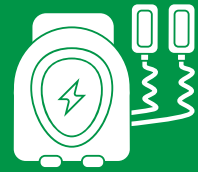
IF SOMEONE HAS A CARDIAC EMERGENCY



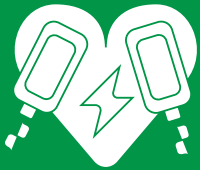
Call 999



Retrieve the AED



Turn on the AED and follow the voice prompts



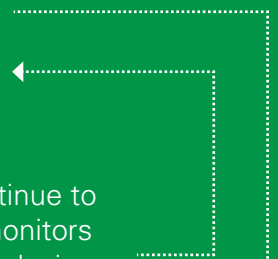
The AED will analyse the heart rhythm and if necessary it will give a shock



1. If the first shock is successful, put the person into the recovery position and wait for the ambulance service to arrive



2. If another shock is required, continue to provide CPR whilst the device monitors the heart. After two minutes the device will advise if another shock is required and give further instructions



If the casualty shows signs of being responsive (coughing, opening eyes, breathing normally) put them in the recovery position until help arrives



PLANS FOR THE FUTURE

Following our record annual financial performance, I remain excited by the growing opportunities which are available to Defib Machines.

From entering the market, we have changed the game in what is expected as standard. The quality of our defibrillators alongside our service and maintenance package continues to set us apart and we plan to further consolidate this position as we accelerate our ambitious growth plan.

As a company we are fully focused on the fact each device we place has the ability to save a person's life. This will always be at the core of Defib Machines and everyone involved here.

With strong Operations, Accounts and Sales Teams, which have been recruited and structured with experience honed in many cases over 30 years in a variety of sectors, I remain confident that our growth ambitions are fully achievable. We plan to further scale our business fuelled by our passion to change the financial obstacles that stand in the way of many people getting defibrillators. We want to make sure that budget is not a reason for any organisation, from large corporates to community organisations, not to have a working, life saving device!

This year's trading has started ahead of our budgeted expectation and enquiries remain strong across all sectors for the months ahead. As employers focus on the health and wellbeing of their colleagues amidst the continued return to work, defibrillators are high on their priority list.

As awareness increases that, like all delicate and complex electronic devices, defibrillators need replacing at the end of their useful life; that there are additional costs for training and consumables; and the need for the management of all aspects of device ownership including a contingency plan for when the device is deployed; I fully expect that organisations, large and small, will continue to migrate to a fully managed service.

Despite the positive success around our business, we are conscious of issues outside of our control. A global supply chain crisis continues to present challenges within our sector, but I am confident that we hold sufficient stocks to satisfy all our current customers as well as likely future demand thanks to the model that we use and experience we have.

Looking ahead and based on the 2021/22 financial year having raised the bar for our sales performance, we continue to see enhanced demand from large and mid-sized companies in all parts of the UK, as well from smaller businesses and organisations. Our top 12 customers account for only 20% of our sited devices, meaning further opportunities abound. I am confident that by having comprehensive coverage across all sectors and parts of the UK, we are well placed to withstand any short and medium term macro threats to the UK economy.

Jonathan Gilbert, Managing Director

CASE STUDIES

BRADFORD COLLEGE

In December 2016 Defib Machines was contacted by Bradford College to review the campus and identify the best places to locate automated external defibrillators (AEDs) in order to provide full coverage.

Conscious of the fact the campus sees large numbers of staff, pupils and visitors pass through each day, the College was aware that there was a risk a cardiac arrest may occur on site and that they did not have the required equipment to help save a life if it happened.

Following the site survey, which found fewer devices were needed than the College had originally anticipated due to being able to strategically locate the devices, the equipment was installed. Within a week of the order being placed Defib Machines hosted a day of training for all staff who wanted to find out how to use the device including both first aiders and those with no training or experience.

Bradford College has recently renewed its DefibPlan for

7 DEVICES
across its campus.

One month after the installation

a lecturer in his 50s was passing through the quad after hours and suffered a cardiac arrest. As a result of both the training provided and the AED's strategic position, a staff member was able to use the device and successfully save the lecturer's life.

Following the event, the device was replaced within 24 hours for a brand new device by Defib Machines.

RYBROOK

Rybrook Group is one of the largest privately owned car dealer groups in the UK. As part of a nationwide installation programme, installations had been organised for sites across the country within a week of the order being placed in March 2018.

The final device was installed at a dealership in Warrington, with training provided over a number of sessions to staff onsite and the device installed in the Service Office.

Forty-five minutes after the Technician had left the site,

a call was received to Defib Machines's Customer Service Team to report deployment of the device, after a customer had suffered a cardiac arrest in the MOT Bay. Following the training, staff were able to quickly identify the symptoms and provide the person with a shock from the device, which helped to save their life.

Following the event, the Technician returned to the dealership and replaced the device with a brand new one.

Rybrook now has
26 HEARTSINE
devices across
its network of
dealerships.

MANCHESTER CENTRAL (FORMERLY G-MEX)

Manchester Central is an award-winning venue at the heart of Manchester which welcomes over 100,000 people each year.

Due to the large footfall experienced at Manchester Central, it was decided that an automated external defibrillator (AED) was needed to help respond to a cardiac arrest if one were to occur during an event.

In October 2017 the first device was fitted by Defib Machines in a central location to help make it accessible from across the venue. Signage was also provided with the device letting people know how to use the AED and also where it was located.

**Manchester Central now has
5 HEARTSINE DEVICES**
throughout the venue, including
devices housed in outdoor
cabinets to make them available to
the wider community.

Early one morning, one week after installation,

a contractor in his 40s was on site when he suffered a sudden cardiac arrest. The incident was witnessed by a passer-by, who recognised the symptoms and was able to follow the signs, retrieve the device and successfully resuscitate the man.

The ambulance service attending praised the speed at which the device was available and also the quality of the device used, the sister machine to the one they carried. In their review it was said that without the device being available so readily the man would likely have not survived.

Following the event, the device was replaced within 24 hours for a brand new device by Defib Machines.





FINANCIAL OVERVIEW

JOE LAWRENCE,
CHIEF FINANCIAL OFFICER

Our performance this year has been exceptional and demonstrates the positive impact of our investments in infrastructure and people. These building blocks have enabled the business to react quickly to market demand, seize opportunities and deliver growth through both new and existing customers.

INCOME AND PROFITABILITY

Turnover for the year grew to £2,144,855 (FY20/21: £898,895) showing year on year growth of 240%. The increase reflects a robust trading year. A strong sales performance underpins this growth with units placed under contract with customers up 300% on FY20/21, supplemented by recurring, contracted, finance and service income from all existing contracts.

Profit before tax for the year was £412,288 (FY20/21: £51,892) also showing significant growth of nearly 800% with an EBITDA of £464,000. Operating profit margin improved to 21% from 9% in FY20/21. The increase in margin demonstrates our effective and targeted investment in organic growth.

TAXATION

UK Corporation Tax has been provided for at 19% of the taxable profit for the year.

STATEMENT OF FINANCIAL POSITION

Defib Machines continues to enjoy a strong balance sheet with net assets growing almost £300,000 year on year with our impressive sales performance increasing the balance of finance lease receivables to over £2.9m.

CASH FLOW

Whilst enjoying strong growth in the year, Defib Machines's effective collections and cash management processes have allowed us to maintain an average working capital cycle of 41 days in FY21/22. Cash flow management and forecasting is supported by the recurring nature of contracted revenues, a growing proportion of which is collected by Direct Debit.

DIRECTORS REPORT

DEFIB MACHINES LIMITED

DIRECTORS REPORT YEAR ENDED 30 JUNE 2022

The directors present their report and the unaudited financial statements of the company for the year ended 30 June 2022.

DIRECTORS

The directors who served the company during the year were as follows:

Mr C E M Armitage

Mr C M Gilbert

Mr J C Gilbert

Mrs D C Armitage

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 6 September 2022 and signed on behalf of the board by:

Mr J C Gilbert, Managing Director



REPORT TO BOARD BY HODGSON HEY

Report to the board of directors on the preparation of the unaudited statutory financial statements of Defib Machines Limited (Defib Machines) Year ended 30 June 2022

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Defib Machines for the year ended 30 June 2022 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at www.accaglobal.com/en/member/professional-standards/rules-standards/acca-rulebook.html

This report is made solely to the board of directors of Defib Machines, as a body, in accordance with the terms of our engagement letter dated 9 July 2015. Our work has been undertaken solely to prepare for your approval the financial statements of Defib Machines and state those matters that we have agreed to state to the board of directors of Defib Machines as a body, in this report in accordance with the association of Chartered Certified Accountants. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Defib Machines and its board of directors as a body for our work or for this report.

It is your duty to ensure that Defib Machines has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Defib Machines. You consider that Defib Machines is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Defib Machines. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Hodgson Hey Limited Chartered Certified Accountants

Heritage Exchange South Lane

Elland

HX5 0HG

6 September 2022

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2022

		2022	2021
	Notes	£	£
Turnover		2,144,855	898,895
Cost of sales		(666,546)	(195,230)
Gross profit		1,478,309	703,665
Administrative expenses		(1,024,515)	(638,614)
Other operating income		-	18,518
Operating profit		453,794	83,569
Other interest receivable and similar income		621	85
Interest payable and similar expenses		(42,127)	(31,762)
Profit before taxation	5	412,288	51,892
Tax on profit		(78,817)	(10,120)
Profit for the financial year and total comprehensive income		333,471	41,772

All the activities of the company are from continuing operations.

STATEMENT OF FINANCIAL POSITION

30 JUNE 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	6	17,680		16,540	
			17,680		16,540
Current assets					
Stocks		89,046		116,254	
Debtors	7	3,116,041		1,815,886	
Cash at bank and in hand		131,974		244,901	
		3,337,061		2,177,041	
Creditors: amounts falling due within one year	8	(1,758,124)		(967,722)	
Net current assets			1,578,937		1,209,319
Total assets less current liabilities			1,596,617		1,225,859
Creditors: amounts falling due after more than one year	9		(736,175)		(652,117)
Provisions for liabilities	10		(3,360)		(3,143)
Net assets			857,082		570,599
Capital and reserves					
Called up share capital			111,875		111,875
Convertible loan stock			450,000		450,000
Profit and loss account			295,207		8,724
Shareholders funds			857,082		570,599

For the year ending 30 June 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

STATEMENT OF FINANCIAL POSITION (CONTINUED) 30 JUNE 2022

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 6 September 2022, and are signed on behalf of the board by:

Mr J C Gilbert Director

Company registration number: 07503896

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2022

	Called up share capital	Convertible loan stock	Profit and loss account	Total
	£	£	£	£
At 1 July 2020	111,875	450,000	(33,048)	528,827
Profit for the year			41,772	41,772
Total comprehensive income for the year	-	-	41,772	41,772
At 30 June 2021 and 1 July 2021	111,875	450,000	8,724	570,599
Profit for the year			333,471	333,471
Total comprehensive income for the year	-	-	333,471	333,471
Dividends paid and payable			(46,988)	(46,988)
Total investments by and distributions to owners	-	-	(46,988)	(46,988)
At 30 June 2022	111,875	450,000	295,207	857,082

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2022

1. GENERAL INFORMATION

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is West One, Wellington Street, Leeds, LS1 1BA.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with the provisions of FRS 102, Section 1A, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis. The financial statements are prepared in sterling, which is the functional currency of the entity.

Turnover

Turnover comprises sales revenue from finance leases and operating leases net of VAT. For finance leases the sales revenue recognised at the commencement of the lease is the present value of the minimum lease payments computed at a market value of interest after deduction of the element relating to servicing of the equipment. The amounts attributable to interest and service are recognised on a straight line basis over the lease term. For operating leases income is recognised on a straight line basis over the lease term.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 30 JUNE 2022

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Defibrillators	- 20% straight line
Fittings fixtures and equipment	- 20% straight line
Motor vehicles	- 27.5% straight line
Computer equipment	- 33% straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. EMPLOYEE NUMBERS

The average number of persons employed by the company during the year amounted to 19 (2021: 14).

5. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation of tangible assets	10,404	13,056

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 30 JUNE 2022

6. TANGIBLE ASSETS

	Computer Equipment	Defibrillators	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 July 2021	43,023	16,506	7,928	2,485	69,942
Additions	8,168	-	3,973	-	12,141
Disposals	-	-	-	(1,567)	(1,567)
At 30 June 2022	51,191	16,506	11,901	918	80,516
Depreciation					
At 1 July 2021	34,898	11,627	6,346	531	53,402
Charge for the year	5,727	2,884	1,151	642	10,404
Disposals	-	-	-	(970)	(970)
At 30 June 2022	40,625	14,511	7,497	203	62,836
Carrying amount					
At 30 June 2022	10,566	1,995	4,404	715	17,680
At 30 June 2021	8,125	4,879	1,582	1,954	16,540

7. DEBTORS

	2022	2021
	£	£
Trade debtors	156,193	95,192
Amounts owed by group undertakings and undertakings in which the company has a participating interest	25,225	481
Finance lease receivables	2,902,823	1,685,702
Other debtors	31,800	34,511
	3,116,041	1,815,886

The debtors above include the following amounts falling due after more than one year:

	2022	2021
	£	£
Finance lease receivables	1,699,053	883,913

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 30 JUNE 2022

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Loans	290,744	137,709
Trade creditors	78,986	106,643
Corporation tax	78,583	6,431
Social security and other taxes	50,035	30,905
Other creditors	1,259,776	686,034
	1,758,124	967,722

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

	2022	2021
	£	£
Loans	441,387	452,797
Other creditors	294,788	199,320
	736,175	652,117

10. PROVISIONS

	Deferred tax (note 11)	Total
	£	£
At 1 July 2021	3,143	3,143
Additions	217	217
At 30 June 2022	3,360	3,360

11. DEFERRED TAX

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

	2022	2021
	£	£
Included in provisions (note 10)	3,360	3,143

The deferred tax account consists of the tax effect of timing differences in respect of:

	2022	2021
	£	£
Accelerated capital allowances	3,360	3,143

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 30 JUNE 2022

12. OPERATING LEASES

The company as lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Later than 1 year and not later than 5 years	63,667	22,134

13. DIRECTORS ADVANCES, CREDITS AND GUARANTEES

During the year the directors entered into the following advances and credits with the company:

2022			
	Balance brought forward	Amounts repaid	Balance outstanding
	£	£	£
Mr C E M Armitage	(36,667)	15,000	(21,667)
Mr C M Gilbert	(21,667)	21,500	(167)
Mr J C Gilbert	(11,667)	11,300	(367)
	(70,001)	47,800	(22,201)

2021			
	Balance brought forward	Amounts repaid	Balance outstanding
	£	£	£
Mr C E M Armitage	(71,867)	35,200	(36,667)
Mr C M Gilbert	(66,667)	45,000	(21,667)
Mr J C Gilbert	(66,667)	55,000	(11,667)
	(205,201)	135,200	(70,001)

14. CONTROLLING PARTY

The company was controlled throughout the current year and previous year by the directors who own the majority of the issued share capital.



Defib Machines Limited

Tel: 0800 0852 733

Web: www.defibmachines.co.uk

Email: solutions@defibmachines.co.uk

Address: West One, 114 Wellington Street, Leeds LS1 1BA