Kodak Alaris Holdings Limited

Kodak alaris

Annual Report & Accounts | 2023

Cover photo: Employee photo competition award winning entry by RICHARD MCVEIGH

Contents

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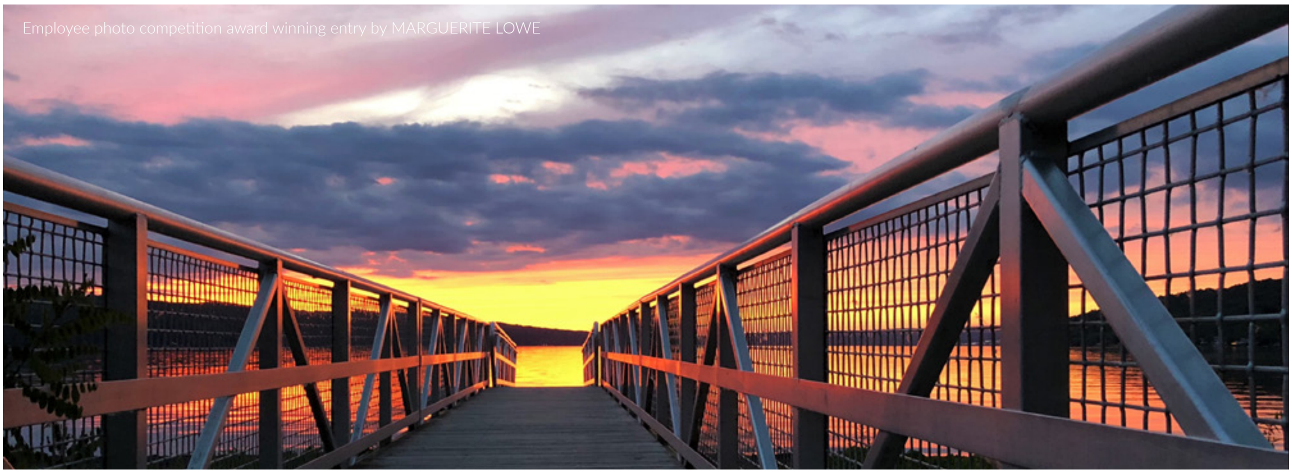
STRATEGIC REPORT

Highlights



Revenue $m

$496

FY22: **$510** | FY21: **$446**

Group revenue decreased by 3% from the prior year largely due to reduced Alaris volumes from constrained component availability, reduction in APAC demand and disruption from China shut-downs, partially offset by revenue growth of 6% in Kodak Moments.

Gross Profit (GP) $m

$148

FY22: **$168** | FY21: **$136**

Gross Profit % decreased by 3% to 30% (2022: 33%), reflecting a lower mix of higher margin product and higher manufacturing costs.

Adjusted EBITDA $m[1]

$26

FY22: **$51** | FY21: **$28**

Lower trading volumes in Alaris and higher marketing and research and development spending to grow the Kodak Moments business led to a $25m reduction in adjusted EBITDA. Programs to reduce back-office costs have delivered $6m of savings.

Loss After Tax $m

($33)

FY22: **($17)** | FY21: **($39)**

Loss after tax of $33m includes $4m proceeds from the disposal of IP addresses surplus to requirements and a $8m impairment charge in Kodak Moments.

Prior year results included a $5m gain on sale of business from programme to rationalise the Group's legal entity footprint and a $14m impairment charge in Kodak Moments.

Net Liabilities $m

($50)

FY22: **($25)** | FY21: **($8)**

The Group had net liabilities of $50m in FY23 which includes $158m of Tranche B loan notes from the shareholder which do not mature until 31 August 2028.

Closing Cash $m

$43

FY22: **$71** | FY21: **$79**

The Group utilised $28m of cash in FY23, resulting in a closing cash balance of $43m. The outflow includes $17m of capital expenditure less $4m of asset disposal proceeds.

FY23 = year ended 31 March 2023, FY22 = year ended 31 March 2022, FY21 = year ended 31 March 2021
1 Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, impairment and non-recurring items. See Note 10 on page 70 for calculation.

Employee photo competition award winning entry by AARON PHILBRICK

Chair and Chief Executive Statement

The Board of Kodak Alaris Holdings Limited (the Company) is pleased to report its results for the year to 31 March 2023. These results reflect the total business performance of the Company and its subsidiaries, together referred to as the 'Group'.

FY23 was dominated by macroeconomic challenges of inflation, foreign exchange fluctuations, rising interest rates and component availability. Given all these challenges we are pleased that we exceeded our expected performance on a revenue, earnings, and cash basis.

Post COVID-19 component shortages negatively impacted our revenues, but the teams showed incredible resilience and creativity in executing product programs and sourcing mitigations that saw us end the year in a position of almost unrestricted supply.

Despite these challenges the performance of the businesses exceeded our plans, with **revenue** decreasing by only 3% to $496m and **adjusted EBITDA**[1] of $26m a decrease of 49% compared to the previous year. There was a net outflow of **cash** of $28m, largely due to investment in the portfolio, foreign exchange impacts, component shortages and increased working capital. The cash position of the Group at year end remained strong at $43m. We have experienced a significant **foreign exchange impact**, mainly resulting from a continued weakening of the euro. The Group reported a **loss after tax** of $33m, a deterioration of $16m on the previous year.

Our priorities remain focused on driving the maximum value from the core businesses, while adapting to create new opportunities for growth. We will exploit our core engineering, market and our understanding of customer's needs and technical expertise to facilitate the future growth plans of Alaris and Kodak Moments.

Transformation

We have continued to realise the benefits of reducing our corporate overhead and the number of legal entities with the completion of the liquidation of many entities permitting the move to cross-border go to market models in FY22 in the process reducing the cost of our operating model. We also successfully delivered the modernisation of our ERP system to Microsoft D365, on schedule and on budget. Elsewhere we continue to rationalise our property portfolio to realign to the post-pandemic requirements for hybrid working.

Mission, Vision and Values

Our **Mission** at Kodak Alaris remains unchanged and our teams lived up to it and delivered on it in FY23: to transform and maximise the profitability of our two businesses that make up Kodak Alaris, to create further value in a culturally renewed values-driven company; a company that invests in growth businesses, systematically and reliably delivers on its financial commitments, operates within an efficient, cost-effective infrastructure and based on a cultural foundation of innovation, transparency, discipline and accountability.

Our **Vision** for our businesses is to be recognised by the market as the leading provider of products and services in each of the segments we participate in. We want to lead in each key industry we participate in through better products, better quality and reliability, better customer service, the best and the brightest employee talent working with world class partners around the globe.

Our well-established Kodak Alaris **Values** that we live and breathe by can be defined by the acronym I-ACT:

- **Innovation** as the core of Kodak Alaris as a technology company
- **Accountability** to deliver on our commitments
- **Customer Satisfaction** in all aspects of our business
- **Teamwork** in how we resolve issues and grow our portfolio

1 Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, impairment and non-recurring items. See Note 10 on page 70 for calculation.

Chair and Chief Executive Statement (continued)

Task Force on Climate-related Financial Disclosures (TCFD)

We are continuing our efforts to align our climate-related disclosures with TCFD recommendations and strengthen communications about sustainability initiatives and performance. Climate-related initiatives for the Group are primarily driven by transition risks - categories of risks associated with the transition to a lower-carbon economy. Escalating costs associated with government policies (such as carbon tax), product regulations, and changing market expectations are anticipated in pathways leading to a low carbon economy. To minimise these risks and potential impacts, we committed to a new set of Group Sustainability Goals in FY22 with a vision to achieve a carbon neutral value chain by 2050.

People and Talent

Our employees are our greatest asset. Their ability to respond to unprecedented challenges and disruption has continued to be admirable. These challenges included the mitigation of component availability shortages, the continued COVID-19 restrictions impact on production and supply, especially in China and other macro-economic challenges. As a team they exceeded the agreed plan for the year.

Across the Group we have seen voluntary attrition peak and it is now beginning to stabilise, whilst reducing to 9.5% which is 1.2% below the previous year. Whilst this attrition rate is higher than we've seen in the past, it is still relatively low compared to market. We have successfully recruited over 225 new team members, with the greatest number being hired in the US. These hires were a combination of strategic hires, replacements and the conversion of certain contractors to employees. The total number of employees did not materially change year-on-year.

We have successfully transitioned to a hybrid way of working where that is appropriate and aligns with the local team's needs.

Financial Outlook

We are optimistic and expect to see revenue and earnings grow in the forthcoming year as we have successfully mitigated component shortages and are operating on a full supply basis. We continue to see price increases offsetting some of the inflationary pressures that we are experiencing in supply and wages and we are benefitting from the stabilisation of prices and increase in dependability in the transport and logistics area. We will continue to invest in our portfolio in both businesses and expect to maintain our cash position with a minimal outflow in FY24.

With significant business in Europe, in particular Germany, the USD to Euro exchange rate continues to be a risk. However, we have recently seen a rebound in the Euro which is favourable.

The Group retains access to a funding facility of up to $50m provided by its shareholder that was undrawn during FY23 and remains undrawn at the date of this report.

We are encouraged by the strength of leadership we have across our businesses. We are pleased with the achievements of FY23 that position us well to prosper in our chosen markets and navigate the challenges in order to continue to build on our competitive position.

Chris Howell
Chair
7 August 2023

Paul Wells
Chief Executive Officer
7 August 2023

Employee photo competition award winning entry by CORY WINTERS

Business Review

Kodak alaris

Kodak Alaris is combining imaging science and digital transformation to bring simple solutions to our customers.

Kodak Alaris is a global technology company that's delivering future value through customer solutions. Our advanced, patented intellectual property combines breakthrough technologies, digital transformation, and human know-how to unlock the power of images and information. We enable businesses to run faster, governments to run smarter by turning data in to powerful, actionable insights and provide consumers innovative solutions to preserve and enjoy their most cherished memories.

We are UK owned, with a global reach, supporting customers in more than 100 countries. Our major office locations are in the US, UK, Germany, Mexico, and China. Our legacy is rich: born from one of the world's most iconic brands, we have a strong heritage in innovation, and a sharp focus on bringing technology to market.

Who we are

Kodak Alaris was formed in 2013 by the UK Kodak Pension Plan ("KPP2"), after it had acquired the Kodak Personalised Imaging and Document Imaging businesses from the Eastman Kodak Company. On 10 November 2020 ownership of the Group was formally transferred from KPP2 to The Board of the Pension Protection Fund (PPF), its sole shareholder.

What our businesses do

Kodak Moments

Kodak Moments is a leading global provider of photo products and services to retailers, consumers, and entertainment properties. We inspire consumers to bring their memories to life - delivering innovative, high-quality photo products and experiences they find truly meaningful. Powered by over 100,000 consumer touchpoints across 30 countries globally, it's our mission to be the brand consumers choose to celebrate and preserve life's memories, from the big events to the everyday moments that matter.

Alaris

The Alaris business, which goes to market as Kodak Alaris, is a leading provider of information capture solutions that simplify business processes. We exist to help the world make sense of information with smart, connected solutions powered by decades of image science innovation. Our award-winning range of scanners, software and services is available worldwide, and through our network of channel partners. Alaris has taken steps to fulfill service commitments to current customers and to continue to serve the markets on a cross-border basis through Authorised Service Providers and in country distribution partners.

Business Review

Kodak Moments

Kodak Moments inspires customers to capture and share joy in moments big and small - from everyday memories to life's biggest milestones.

We continue to lead the industry with innovative products and creative solutions that help connect our customers to the moments that matter most.

Kodak Moments is a leading global provider of photo products and services to retailers, consumers, and entertainment properties.

It's our mission to be the brand that customers choose to celebrate and relive their memories in print, from the big events to the Everyday Moments™ that matter. Powered by over 100,000 consumer touchpoints across 30 countries, we're proud to provide a smart, seamless customer experience and high-quality photo products. Kodak Moments, For All That Matters™.

Business overview

Kodak Moments has continued to invest in global retailer photo offerings while simultaneously managing the challenges of the shifting global supply chain and economic conditions. We have continued our commitment to develop mobile-first, consumer-centric products. Our category leadership sets us apart. By continually investing in brand, channel, product, and technological innovation, we are executing on our dynamic transformation and reshaping the industry by launching innovative same-day products like mugs, décor, signage, and opening new digital channels with key partners.

Our installed base offers ease, convenience, and choice in creating and delivering a portfolio of high-quality photo products such as prints, enlargements and photo merchandise to consumers through our retail partners. Our omnichannel offerings include Kodak Moments desktop and mobile websites, key partner programs, and "powered by Kodak Moments" websites for order creation with both ship-to-home and BOPIS (buy-online-pick-up-in-store) fulfilment options.

Kodak Moments has a global supply chain reach with expanded converting and packaging facilities around the world for delivery to regional channel partners. Our in-store equipment continues to be sourced from original manufacturing partners and is assembled by third-party integrators located in the US and Germany. Our retail printing consumables are manufactured in our ISO-certified (ISO 9001 Quality Management System and ISO 14001 Environmental Management) facility in the US and through our strategic partner in Germany. Kodak Moments thermal paper products are certified under the internationally recognised Forest Stewardship Council® (FSC) Chain of Custody (CoC) standard.

Industry dynamics

The global photo market is estimated at $18.5B with a demonstrated growth rate of 3.4%[1] (2017-2021). The key dynamic in consumer demand within the total global market is that traditional consumer photo prints are in slow volume decline, while demand for higher value photo merchandise (photo home décor, photo gifts, photo books) is growing. Consumers are seeking more premium products for displaying their photo memories. While photo prints are still relatively high volume, they are lower in price and predominately purchased from brick-and-mortar retailers

1 Global Photo Printing and Merchandise Market Size, Status and Forecast 2022-2028 (2022)

Business Review (continued)

Kodak Moments

while photo merchandise is predominantly purchased via e-commerce and shipped to home. However, the retail photo business is seeing growth by offering key photo merchandise products for same day pick up in the store. Increasingly, orders for those same day retail products are being placed online.

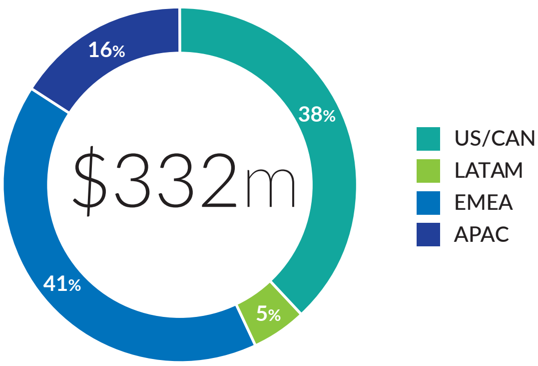
Achievements

During this past year, negotiations yielded long term renewal contracts with three of our strategic retail accounts allowing us to focus on programs to drive growth through expanded products and services.

Kodak Moments financials

Kodak Moments generated revenue of $332m for the year to 31 March 2023, an increase of 6% compared to the prior year (2022: $314m). The revenue increase has been primarily driven by higher Film volume and pricing. Our Retail Photo Services business also showed a small improvement in sales.

Revenue by region for 12 months to 31 March 2023



(2022: US/Can 35%, LATAM 5%, EMEA 43%, APAC 17%)

Gross profit for the year to 31 March 2023 amounted to $83m, representing a decrease of 6% year-over-year largely due to higher manufacturing and component costs (2022: $88m).

Future outlook

We operate in a competitive market that includes the challenge of retail transformation. Our focus for FY24 is to enable growth by continuing our innovation investment and providing outstanding customer service. Our consistent areas of focus include mobile-first, multi-channel photo printing and gifting that makes creating and purchasing high-quality Kodak Moments photo products easy. We continue to gain intellectual property from our investments in this area and are integrating these innovations into both current and future planned products.

We anticipate the supply chain and logistics issues will continue to some degree and world political and economic effects will have some impact on the retail photo printing market. However, Kodak Moments has a strong and resilient portfolio of key retail customers and supply partners. We are continuing to invest in our ability to enable retailers to offer choice, ease, and convenience in their photo service: innovating by creating more same day photo products and enabling all photo products to be ordered by the methods that consumers prefer.

A strong demand for both our consumer and professional film product lines continues. Sales are currently limited only by supply of product.

Employee photo competition award winning entry by MICHAEL KARCZ

Business Review

Alaris

a Kodak Alaris business

The Alaris business, which goes to market as Kodak Alaris, is a leading provider of information capture solutions that simplify business processes. We exist to help the world make sense of information with smart, connected solutions powered by decades of image science innovation. Our award-winning range of scanners, software and services is available worldwide, and through our network of channel partners.

Business overview

The Alaris business enables organisations to digitise content and automate document processing of critical information into business workflows, digital repositories, and the cloud.

The business is uniquely differentiated through its industry leading image science technology. Its innovative Perfect Page technology enables businesses to increase accuracy while reducing the time required to extract important business information. It offers advanced paper handling capabilities in addition to fast and efficient image processing that yield significantly smaller file sizes and reduce the time spent digitising documents. The intelligent data capture process is made complete with intelligent software solutions that capture, extract, classify and deliver data to business applications quickly and accurately including merging scanned content with native digital content.

Industry dynamics

The document capture market faced multiple challenges during FY23 following the strong recovery in FY22. Macroeconomic headwinds and supply chain issues that began at the end of FY22 persisted and intensified throughout FY23. Both the production capture and distributed capture segments declined year over year despite trends, such as the increased pace of digitisation and process/workflow automation, supporting the underlying demand for scanning. Alaris managed to grow share in production capture and minimize share loss in distributed capture despite these industrywide challenges. Growth in the Intelligent Document Processing (IDP) software market remained strong in FY23, and growth is expected to continue in the near future.

Market revenue for global production capture scanners was down 17% due to the aforementioned industrywide headwinds with a particularly strong decline in the Asia Pacific region due to the continued lockdowns in China and impact from the end of zero COVID-19 policy. However, the demand for high-speed production scanners is expected to recover as businesses, particularly Service Bureaus, resume projects delayed over the COVID-19 period. We expect demand to be particularly strong in the US federal government space due to the delayed M-19-21 National Archives and Records Administration (NARA) deadline to no longer accept paper records (extended to June 2024 from its original deadline of December 2022). Market revenue for global distributed capture scanners was down 12% in FY23. The decline in the distributed capture market was also impacted by the industrywide headwinds with the Asia Pacific market leading the decline. Our FY23 global share was 26% in production capture and 7% in distributed capture. On a global revenue share basis, Alaris is the #2 vendor in production capture and the #4 vendor in distributed capture in FY23.

During FY23, Panasonic completed its exit from the marketplace and in June 2022, Ricoh announced their acquisition of the Fujitsu PFU business unit which included the Fujitsu scanner portfolio and assets. Ricoh remained a key customer of Kodak Alaris despite this announcement.

Achievements

Product launch

The Alaris business enhanced its portfolio of award-winning document scanners with the launch of two powerful offerings. The Kodak S3140 Max Scanner combines high-volume capacity with the simplicity and compact size of a desktop unit. Ideal for document-heavy processes, this production scanner delivers exceptional image quality, superior paper protection, versatile media handling capabilities, and fast capture speeds. Users can quickly digitise data trapped on paper allowing it to be inputted into enterprise applications such as ERP or CRM systems with a high degree of accuracy, and easily scan documents into on-site or off-site applications and file repositories, including cloud services.

Business Review (continued)

Alaris

a Kodak Alaris business

The refreshed Kodak E1000 Series provides superior image quality and a simple user interface for fast, reliable information capture. With their compact size, the Kodak E1000 Series Scanners are ideal for desktop use in small to medium-sized businesses, branch offices, reception and admin desks, and enterprises with remote workers.

Awards

The Alaris business continues to win industry accolades for its innovative product and service offerings. Keypoint Intelligence awarded Alaris a Buyers Lab (BLI) 2023 Pick Award for the Kodak S3140 Max Scanner[1] and the Keypoint Intelligence - BLI Scanner Line of the Year award for the seventh time in the last eight years[1]. Keypoint Intelligence is the world's leading independent evaluator of document imaging hardware, software, and services. Alaris has won more awards than any other scanner manufacturer in the testing lab's 60-year history.

Industry analysts and influencers continue to recognise Alaris expertise across the globe. Alaris was featured in the IDCMarketScape Worldwide Document Scanner Vendor Assessment, which recognises Kodak Alaris in the Leaders category among seven prominent manufacturers. UK-based Document Manager Magazine honoured Alaris with the RPA Product of the Year Award with UiPath for our joint Patient Intake Processing solution[2]. Alaris also earned a 5-star rating from CRN®, a brand of The Channel Company, in its 2023 Partner Programme Guide[3]. This was the sixth time Alaris received this honour from CRN®.

Global service organisation Net Promoter Score

With a focus on customer productivity, the Services organisation partners with our customers to provide installation, repair and maintenance and professional service engagements. The business's unique ability to serve customers around the world with responsiveness, technical accuracy, and professionalism is unmatched in the industry and is demonstrated by a world class Net Promoter Score of 83[4].

Solutions growth

With increased focus and investment in the Intelligent Document Processing market the Alaris business achieved significant year-on-year growth in software and solutions by supporting customer & partner initiatives such as:

- A Business Process Outsourcer in the UK which is using Info Input Solution & Professional Services to reduce the complexity of supporting customer specific data capture workflows and various data sources including handwriting.
- An enterprise content management provider in France which is using the Infuse Smart Scanning Solution to process invoices and customer on-boarding materials in real-time resulting in improved customer service and internal cost savings.

Supply chain agility

The Alaris business anticipated limited production of its Distributed Capture Portfolio due to the reduced availability of semi-conductor components. The business materially moderated the impact by tightly managing their supply chain & accelerating the introduction of new models to the marketplace in addition to the certification of alternative parts with greater supply. This is a testament to the organisation's agility and strong collaboration among sales, operations, manufacturing and engineering. In spite of these countermeasures, Alaris FY23 results in Distributed Capture revenues were materially impacted by supply limitations. Countermeasures and improvements in the supply environment have positioned the business for an expectation of full supply in FY24.

Alaris financials

Alaris generated revenue of $164m for the year to 31 March 2023, a decrease of 16% compared to the prior year (2022: $196m). Product revenue was down 21% versus prior year driven by reduced semi-conductor component availability in Distributed Capture and demand softness in China and Japan for Production Capture due to COVID-19 lock-downs. The finalisation of the go-to-market model change in several countries resulted in a $7m reduction in revenue year over year. Despite lower product sales, service revenue was able to remain at 90% of the prior year revenue with historically high renewals, completion of a minor service business acquisition and continued strong growth of professional services.

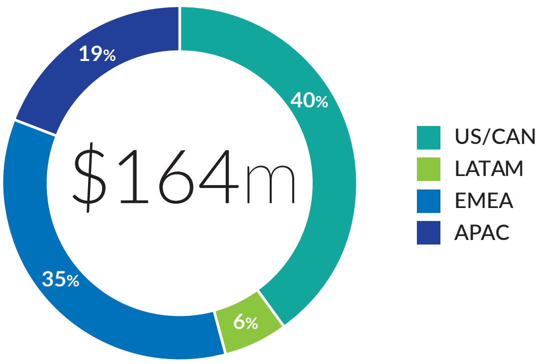
1 BLI analysts bestow the coveted line of the year honour annually to the vendor whose product line is rated the best overall, with models at every level excelling in BLI's rigorous two-month laboratory evaluations.
2 Each year Document Manager Magazine accepts nominations for innovative products and solutions in the Document Management industry. Customers then vote on the nominees to ultimately determine annual award winners. The 2022 awards were announced in November 2022.
3 CRN®5-Star Rating 2023 Partner Programme Guide Announced March 2023.
4 Per the June 2022 Customer Survey Data.

Business Review (continued)

Alaris

a Kodak Alaris business

Revenue by region for 12 months to 31 March 2023



(2022: US/Can 36%, LATAM 6%, EMEA 35%, APAC 23%)

Gross profit for the year to 31 March 2023 amounted to $65m, representing a decrease of 19% year-over-year (2022: $80m). Gross profit, as a % of sales declined from 41% to 40% compared to the prior year, as a result of lower product revenue, unfavourable product mix and unfavourable manufacturing cost absorption driven by the China lockdowns in early FY23 which impacted operation of the Alaris factory based in China. Inflationary headwinds in cost structure were largely offset via price increases implemented during the year. The finalisation of the go-to-market model change in several countries, including the sale of higher margin service businesses to Authorised Service Providers, resulted in a $4m reduction in gross profit year over year.

Future outlook

In many parts of the world, the image capture marketplace continues to progress from a focus on digitisation to one of automation – a trend that is accelerating as impacts of the pandemic subside. Market consolidation and manufacturer retrenchment is also changing the competitive landscape.

In FY24, we plan to support this evolution by continuing to provide our scanners, software, and services offerings to the vertical markets where we've performed strongly including government, finance, Business Process Outsourcing, education, logistics and healthcare - all of which we expect to remain strong. We plan to protect our key markets and expand our reach by leveraging recent and planned investments in our award-winning production capture and distributed capture scanners, services and software solutions; and developing organisational capabilities & innovations that drive growth and customer value in software solutions and professional services and by executing programs aimed at increasing our brand awareness in the Intelligent Document Processing market. In FY24 we expect to resume full supply of hardware products and for total business revenues and profits to grow year-on-year.

Financial Performance Review

Kodak Alaris has contended with a challenging year faced with curtailed demand, limitations to supply, adverse foreign currency movements and increased production costs. This reflects Group trading results declining against the prior year and investments in both segments of the business, offset by initiatives to simplify the business and reduce its cost base.

Extracts from consolidated financial statements

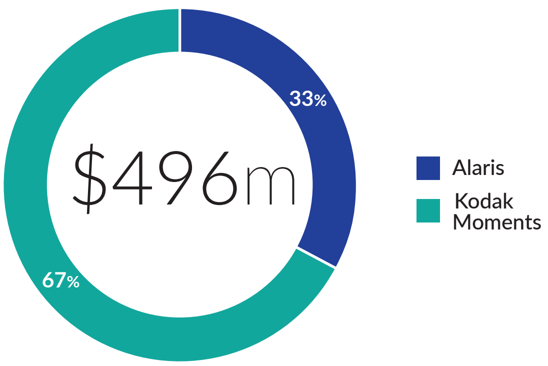
$m	Year ended 31 March 2023	Year ended 31 March 2022
Revenue	496	510
Gross Profit	148	168
Gross Profit %	30%	33%
Adjusted Costs[1]	(122)	(117)
Adjusted EBITDA[2]	26	51
Closing Cash	43	71
Net Working Capital[3]	96	86
Net Liabilities	(50)	(25)
Net Loss	(33)	(17)

Revenue – for the year ended 31 March 2023, the Group generated revenue of $496m, a reduction of $14m (3%) compared with $510m for the year ended 31 March 2022. FY23 revenue includes $20m of unexpected impacts from weakening key currencies against the USD. There were no discontinued operations in the year ended 31 March 2023 or in the prior year.

Alaris revenues decreased by $32m (16%) versus the prior year reflecting supply chain disruptions from COVID-19 shutdown of the China factory and scarcity of sourcing key components. Market unease in China and Japan led to reduced demand in production capture scanners. Encouraging signs of contract renewals was not sufficient to stave off a 10% decline in Service revenue (2022: 4% decline).

Kodak Moments revenue increased by $18m (6%) despite significant EMEA exposure to EUR currency devaluation against USD. Improved results predominantly reflect higher Film volumes and pricing to counter significant cost increases. Retail Photo Services delivered marginal improvements versus the prior year.

Revenue by business for year ended 31 March 2023



(2022: Alaris 38%, KM 62%)

Gross Profit – for the year was $148m, a 12% decrease on the prior year (2022: $168m), reflecting lower trading volume and higher costs of manufacturing. Gross profit % decreased by to 30% (2022: 33%) due to lower mix of higher margin products and increased materials and logistics costs

Engineering – the Group invested $38m (2022: $35m) in product development of future products and technologies with $4m (2022: $6m) being capitalised into intangible assets reflecting investment in new products and future product streams and $34m (2022: $29m) being expensed to the income statement as either research and development or cost of sales.

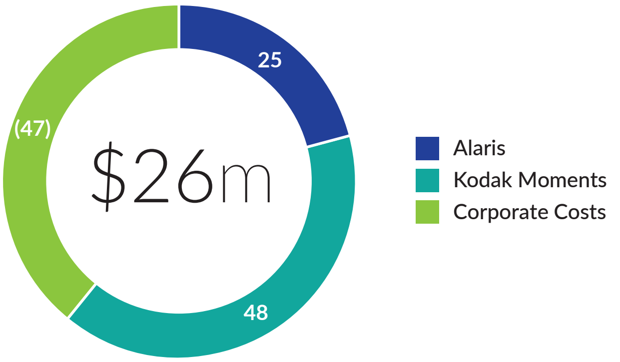
1 Adjusted costs represent the difference between gross profit and the adjusted EBITDA.
2 Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, impairment and non-recurring items. See Note 10 on page 70 for calculation.
3 Net working capital represents the difference between trade receivables, inventories and trade payables at year end.

Financial Performance Review (continued)

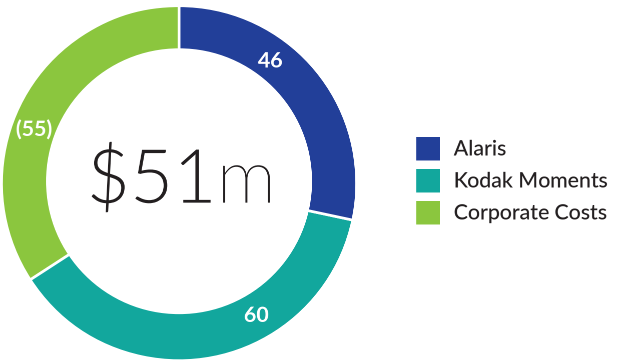
ERP upgrade – expensed costs of $2m (2022: $1m) were incurred in a transformational project to upgrade the ERP system, simplifying processes and introducing new applications. The Group capitalised $2m (2022: $2m) during the year which represents implementation costs to change existing systems and interfaces to integrate them with Microsoft D365.

Adjusted EBITDA[1] – the Group delivered an adjusted EBITDA for the year ended 31 March 2023 of $26m (2022: $51m), a decline of 49% on the prior year from reduced trading volumes and investments in growth in both businesses.

Adjusted EBITDA[1] by business



For year ended 31 March 2023



For year ended 31 March 2022

Non-recurring items – the Group incurred non-recurring costs for the year ended 31 March 2023 of $1m (2022: $1m). The adoption of the new go to market model for Alaris amounted to a loss of $1m (2022: gain of $5m). An additional $2m was incurred to conclude the ERP upgrade (2022: $1m). Disposal of redundant IP addresses for the Group resulted in $4m of proceeds (2022: nil).

Impairment – the carrying value of the Cash Generating Units containing goodwill is tested for impairment annually. An impairment loss of $8m for the year (2022: $14m) was recognised for Kodak Moments reflecting the impact of cost inflation, working capital investments and capital expenditures required to sustain the business in the outlook used for the assessment. No impairment losses were recognised for Alaris (2022: nil).

Interest expense – interest expense amounted to $17m (2022: $13m). Most of this expense relates to long-term Loan Notes which are due for settlement in 2028. Interest is satisfied by means of a transfer of new notes to the loan note holder.

Tax – tax expense was $5m for the year ended 31 March 2023 (2022: $8m), which is split into both current and deferred tax and is driven by a mix of income from various taxing jurisdictions, many of which have higher statutory tax rates than the UK. The difference between current and deferred tax results from the difference in timing of taxability or deductibility of various income items. The decrease in tax expense arises from the disposal of four entities during the year, one off items in the prior year tax audit, transformation activities and reduced trading profit from lower trading volumes.

Loss after tax – the Group reported a loss after tax and interest of $33m for the year to 31 March 2023 (2022: $17m). This includes foreign exchange losses of $7m (2022: $3m), $29m (2022: $44m) of depreciation, amortization, loss on disposal and impairment, as well as net non-recurring items of $1m (2022: $1m).

Cash – the Group reported a closing cash balance of $43m as at 31 March 2023 (2022: $71m). This represented a net outflow of $28m (2022: $8m) mainly arising from growth investments in both businesses, inflationary headwinds, and confinement in working capital through increased inventories, receivables and capital expenditures.

1 Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, impairment and non-recurring items. See Note 10 on page 70 for calculation.

Financial Performance Review (continued)

Funding arrangements – in addition to the loan notes above, the Group has access to committed funding from its shareholder of up to $50m until September 2026. Borrowing is limited based on a formula of available obligor collateral and is subject to compliance with the corresponding financial covenants. As of 31 March 2023, the Group had not drawn on this available facility.

Net working capital[1] – was $96m at 31 March 2023 (2022: $86m), an increase of $10m from the prior year and reflects increases in inventories and receivables.

Net liabilities – the Group had net liabilities as at 31 March 2023 of $50m (2022: $25m), which include $158m of Tranche B Loan Notes from the shareholder which do not mature until 31 August 2028.

Transformation activities – Corporate overhead costs reflect a $6m reduction versus prior year. Two legal entities have been liquidated and one branch has been deregistered. The Group continues to pursue cost savings and operational efficiencies as part of its transformation programme.

Dividends – As was the case in FY22, the Board did not declare a dividend during the year ended 31 March 2023 and has not declared one since.

Diane Gardner
Chief Financial Officer
7 August 2023

1 Net working capital represents the difference between trade receivables, inventories and trade payables at year end.

Employee photo competition award winning entry by CONNOR BILLINGS

Risk Report

With global operations, Kodak Alaris faces an evolving complex and diverse set of risks and uncertainties. Our goal is to continuously improve our risk-management processes and further develop a better understanding of risk, which helps deliver our goals and strategic objectives.

Our approach

The Risk Management framework uses a top-down approach to identify the Group's key risks and we continue to refine our framework to identify, evaluate, mitigate and monitor the risks we face as a business. The Corporate Risk register identifies the principal risks facing the business and a summary of the top eight risks are detailed on pages 22 to 23 of this report.

We also continue to ensure there are appropriate processes to identify and mitigate the operational, functional and regional risks associated with both of the individual business units.

Corporate oversight

Risk management

The Risk Committee is comprised of the Kodak Alaris Executive Committee (KAEC) members and a variety of senior management specialists. The committee establishes the nature and extent of risk that the Group is willing to accept in pursuit of its strategic objectives. This is achieved through robust quarterly assessments of the risk register, which focus on the evolving risk landscape, emerging risks and ongoing significant risks. Key risks facing the business are reviewed by the Board on a bi-annual basis and by the Audit and Risk Committee several times a year.

Financial control

The Group's internal risk management and control systems are designed to ensure that effective appropriate controls are in place at all levels in the organisation and that these controls are tailored to the day-to-day working environment in which the Group operates.

In addition, the Group seeks to promote a culture of transparency and openness to ensure the timely identification, evaluation, reporting and mitigation of risks where practical.

The Group continues to standardise and enhance its financial and accounting policies, processes, systems and controls. Regular Business Assurance reviews are performed to assess the design and operational effectiveness of these controls and to provide assurance that the position of the Group is fairly reflected and that the Group complies with approved accounting standards and practices and company wide policies and procedures in other non-finance areas.

Political risk

The Risk Committee, the Audit and Risk Committee and the Board closely monitor global events, including recent developments in Eastern Europe.

We manage global logistics and supply chain issues in such a way as to minimise any disruption to our customers. Financial risks such as access to funding, FX risk management and tax matters are also monitored and actioned appropriately.

Key areas of risk focus

The Risk Committee continues to challenge and improve the quality of risk information generated across the business. Detailed reviews are completed on targeted risks where there has been an increase in the risk score, or where a new risk has been identified. The purpose of these reviews is to assess the nature and extent of the risk, the effectiveness of any control(s) in place and to highlight any additional mitigating actions required.

Risk Report (continued)

Business assurance

The Audit and Risk Committee reviews and approves the Business Assurance audit programme annually. Progress against the approved plan is then reviewed at each subsequent meeting. The Committee may require a change in focus or additional audits, following the results of certain audits and any changes in the business environment

Results of audits are reported to the KAEC and senior management, and where required, corrective actions are agreed. Summarised results are presented to the Audit and Risk Committee along with progress against agreed actions. It is noted that overall audit ratings have slightly deteriorated year on year. This is due to the following changes in the Business Assurance audit methodology:

- Not performing full audits covering several topics and instead reviewing main/critical controls in significantly greater detail
- Refocusing audits on areas where risk is perceived to exist rather than reviewing areas where there is a high level of confidence in controls operating correctly, to maximise the value of the Business Assurance Team's work to the business.
- The use of audit analytics software

The Board is confident that the slight deterioration in overall audit ratings is not indicative of a deterioration of internal control within the group. However, given the slight deterioration in audit ratings this year, the FY24 audit plan will include:

1. the review of controls in processes where controls have been previously identified as needing improvement, and

2. two dedicated follow up reviews where previously agreed 'High' and 'Medium' management actions will be validated for completion and to ensure the necessary controls are now in place and operating as expected.

Risk appetite

Our approach continues to be to minimise exposure to environmental, health & safety, reputational and operational risks, whilst accepting that the business operates in challenging and highly competitive markets. Therefore, it is necessary to take certain calculated strategic, commercial and investment risks in order to seize opportunities and deliver against our strategic objectives.

Task Force on Climate-related Financial Disclosure (TCFD)

Climate-related risks and opportunities are assessed by a multi-function team that evaluates the likelihood and severity of potential impacts from at least two climate scenarios. An Intergovernmental Panel on Climate Change (IPCC) "business as usual" goal based on Representative Concentration Pathway 8.5 (RPC8.5 AR5) was selected to represent a future with a smaller number of policy changes to reduce emissions and characterised by increasing GHG emissions and global mean temperatures. An ambitious IPCC 1.5˚C low-carbon transition pathway was selected to represent an aggressive low carbon economy transition, driven by significant policy, technology, and market changes. The threats and risks associated with these scenarios were derived from IPCC Fifth Assessment Report (AR5) and the IPCC Special Report on the impacts of global warming of 1.5˚C (Oct2018). The risk assessment method and climate scenarios selected were aligned with recommendations from the TCFD. More than thirty physical and transition risks associated with these scenarios were evaluated. Consequences to Group business operations, supply chain, and customers were considered over short (1-3 year), mid (3-10 year), and long term (>10 year) timeframes. Opportunities were also identified and recorded. Risk scores were calculated as a product of the likelihood and severity with the same process and factors used for other risks in the Corporate Risk register, enabling integration into existing processes. Although not necessarily reaching a threshold of financial materiality, the top threats include:

- supply chain disruption due to severe weather events;
- Increased costs from carbon schemes driven by low-carbon transition policies;
- Increasing product regulations associated with low-carbon transition policies; and
- negative reputation resulting from failure to meet stakeholder expectations for climate action.

Our current sustainability goals, outlined on page 27, were crafted to mitigate these threats.

Risk Report (continued)

Kodak Alaris Principal Risks

The table below summarises the Group's top risks as agreed by the KAEC and the Board, along with the potential impact of these risks and ongoing risk management activities:

DESCRIPTION OF RISK	POTENTIAL IMPACT ON THE GROUP	RISK MANAGEMENT ACTIVITIES	TREND
Dependence on key suppliers **There is a risk that** there are issues arising from our dependence on single-source suppliers that could lead to higher prices, higher working capital requirements or the unavailability of parts, raw materials or other components.	**An adverse impact on**: our operations; our results from operations (including revenues, EBITDA, and cash flows); and our financial condition, including liquidity.	• Proactively identifying and working with potential **alternative suppliers**. • Exploring **new contractual provisions** with existing suppliers. • **Procurement review** of where we have no clear second source of supply. • Proactive **management of critical parts and components** and exploring **alternative components**.	↔
Geopolitical Risk **There is a risk that** we may be adversely impacted by geopolitical instability which adversely affects our ability to operate and compete.	**An adverse impact on:** our operations; our results from operations (including revenues, EBITDA and cash flows); and our financial condition. **As well as:** increased FX volatility, impacting our results from operations; and Global scanner product supply disruption risk.	• Supplier senior leadership **meetings and relationship building.** • Manufacturing **diversification projects.** • Software and solutions and services **growth initiatives.** • Multifunctional team performing operational, supplier and KA **risk reviews** on a regular basis. • **Crisis management team** in place. • **Financial Risk Committee** monitoring of FX volatility. • Service and product **pricing actions**.	↑
Talent **There is a risk that** we could be adversely impacted by the loss of one or more key personnel or by an inability to attract and retain employees.	• Decreased productivity. • Increased workload of remaining employees. • Underperformance. • Increased staff turnover. • Reduction in staff morale. • Inability to attract future talent and skills.	• **Critical talent project** by BU/function: identification of critical talent; succession planning; identification of development actions. • Increased focus on **employee development**: online training course library; career development guides; development plans and competency development guides. • Limited targeted **incentives**. • **Recognition programme.** • A stronger focus on **employee engagement actions / initiatives:** employee communication; employee engagement survey; CSR initiatives. • **Diversity, Equity and Inclusion** programme; wellness initiatives. • Use of **Contract employees**.	↓
Cybersecurity **There is a risk that** we fail to maintain an effective and robust cybersecurity programme which leads to a successful cyber-attack, from an internal or an external source, and which results in a significant denial of service or data loss.	• Business disruption. • Loss of confidential information. • Revenue loss. • Equipment damages. • Regulatory penalties and fines. • Reputational damage.	Prevention • Dedicated **CISO** (Security) and **DPO** (Data Privacy) roles established. • On-going information security **training** programme (incl. best practices email, simulated phishing/scam email exercises, and use of strong passwords). • Timely **patching**/**firewalls**/**spoofing emails**/reduction in **admin rights**. Loss Reduction • Robust **Incident Response Plan/Playbook** in place. Other • Regular **Board reporting**.	↔

KEY: ↑ Risk increasing ↔ Risk unchanged ↓ Risk reduced

Risk Report (continued)

Kodak Alaris Principal Risks

The table below summarises the Group's top risks as agreed by the KAEC and the Board, along with the potential impact of these risks and ongoing risk management activities:

DESCRIPTION OF RISK	POTENTIAL IMPACT ON THE GROUP	RISK MANAGEMENT ACTIVITIES	TREND
Growth initiatives **There is a risk that** our Business Units are unable to execute on all agreed growth initiatives and there are insufficient opportunities in the pipeline.	**An adverse impact on:** our operations; our results from operations (including revenues, EBITDA, and cash flows); and our financial condition. **Putting at risk:** the long-term sustainability and survival of the business; and its ability to attract, engage and retain employees.	• Regular **Business Unit reviews against plan.** • Regular **KAEC review** of performance. • In-depth **Board review** of potential growth opportunities. • Funding levels will be adjusted, as appropriate, to **maximize returns.**	↓
Inflation **There is a risk that** in a global high inflation environment: (i) increases in input prices (including both labour and non-labour costs) cannot be fully recovered in the prices charged to our customers and adversely impact our results from operations; and (ii) salary increases given to employees may not accurately reflect inflation.	**An adverse impact on:** our results from operations (including revenues, EBITDA and cash flows); and our financial condition, including liquidity. **As well as:** increased talent-related risk.	• **Contractual protection** against inflationary cost in existing contracts and newly negotiated contracts. • Understanding of supply chain and identification of **alternative supply sources.** • **Global benchmarking surveys** are subscribed to which provide intelligence on job level salaries by country, salary review budgets by country and inflation by country. **Annual salary reviews** take into consideration all the intelligence provided by these surveys when determining increases for employees. Additionally, individual salaries vs benchmark are reviewed regularly; local country governmental programs/schemes are utilized whenever possible, and **recognition payments** are provided as appropriate.	↑
Supply Chain Disruption **There is a risk that** there are (a) disruptions to our supply chain (e.g., from cross border or port congestion, driver shortages, or capacity constraints in global logistics) or (b) shortages of key components (e.g., semi-conductors), parts and raw materials, that adversely impact our ability to meet our customer needs in an appropriate manner and at an acceptable cost.	**An adverse impact on:** our results from operations (including revenues, EBITDA and cash flows); and our financial condition, including liquidity. **Putting at risk:** customer satisfaction and relationships.	Addressing disruptions • Use of alternative **transport modes** and **shipping routes**. Addressing shortages: • Identifying and working with **alternative suppliers**. • **New contractual provisions** with existing suppliers.	↓
Funding and Liquidity There is a risk that the Group does not have sufficient long-term funding and available committed facilities in place to meet its overall business objectives and its payment obligations as they become due.	Reduced appetite of suppliers to provide credit. Reluctance of customers and partners to enter into long-term business arrangements. General increase in costs of doing business. Missed opportunities around executing on profitable projects. Increase in management time spent forecasting and managing liquidity. Banks and other providers requiring cash collateral or other complex security arrangements before providing services.	• Preparation and review of detailed **Budget and 3-Year Plan cash flow projections.** • Quarterly update and review of **Forecast cash flow projections.** • Weekly update and review of **short-term (13 week) cash flow projections.** • Formal annual **Going Concern Review**, with sign off by Board. • Timely **extension of credit facility.** • Active focus on **cash concentration initiative,** minimising trapped and operational cash balances. • Demonstrated ability to act quickly on **cost control** activities (e.g., reduction in discretionary spend, elimination of travel etc.).	↓

KEY: ↑ Risk increasing ↔ Risk unchanged ↓ Risk reduced

Employee photo competition award winning entry by JAMES CASHA

Environmental & Social Responsibility

At Kodak Alaris we are committed to ensuring that our business is conducted in a manner consistent with sound EH&S management practices and to comply with applicable EH&S laws, regulations, and other relevant requirements. We are a responsible employer that provides environmentally responsible products and services, safe workplaces for our employees, and invests in Community Outreach Programmes as a vital part of our Kodak Alaris Corporate Social Responsibility (CSR) Programme.

Sustainability, people and planet figure prominently in our worldwide Environmental, Health & Safety (EH&S) policy whose core objectives include:

- preventing pollution, mitigating climate impact and protecting the environment; and
- preventing injury and promoting employee health, safety and wellbeing

Community Outreach

We endeavour to be good citizens in every community in which we operate. Kodak Alaris community outreach programmes are developed to influence community well-being and employee experiences. Our aim is to care for people in our communities by providing for those in need, advance medical research, contribute to disease prevention awareness and contribute to overall wellbeing.

Our global CSR Community Outreach programme focuses on influencing and driving a positive impact to health and wellness, education, and the environment. We continue to prioritise safeguarding the health, safety and wellbeing of our employees, caring for the people in our communities and continuing to make a positive difference around the world. We continue to review and develop our community outreach initiatives and are proud to be able to show how our expansion of initiatives and focus on continuous improvement positively impacts employee engagement and our surrounding communities.

In 2023, participation extended across all regions with representation from China, France, and Germany alongside US, Mexico, Australia, and UK.

Wellness Distance Challenge: In June 2022, Kodak Alaris launched its annual Distance Challenge to encourage employees to get moving whether that was walking, running, rowing, biking, or hiking. We exceeded our goal to travel 8,000 miles (12,070.08 km) by completing almost 11,000 miles globally with 112 of our employees taking part in the challenge. We exceeded the target goal for this campaign and contributed to organisations in each region across various areas of wellness including heart health and research, mental health, and general wellness access.

Global Literacy Campaign: In September through our 'Back to School' global literacy campaign a total of 1,523 books and funds were donated to selected organisations.

Holiday food/gift drive: Kodak Alaris colleagues provided regional and local non-profit support in November and December by donating food and gifts to local community organisations. Hundreds of donations were collected from around the world benefitting families and children.

In the United States, Kodak Alaris and our colleagues supported the United Way Day of Caring and Annual Pledge Campaign enabling response and support to community challenges whilst strengthening the foundational building blocks that make a community strong.

Our People

Kodak Alaris encourages employees to become involved with their local communities both through their own personal passions and through Kodak Alaris sponsored initiatives and events. Kodak Alaris offers each employee up to 16 hours of paid volunteer time annually. During FY23, we maintained global employee community outreach networks to continue the support of our local communities whilst also prioritising and safeguarding the health, safety and wellbeing of our employees. For more information on employee engagement, including diversity, equity and inclusion, see the directors' report on page 42.

Environmental & Social Responsibility (continued)

Safe Operations

We have maintained our strong emphasis on injury prevention, resulting in:

- a low annual injury rate of less than **three lost time injuries per 1,000** employees in FY23; and
- **no penalties, fines, safety recalls, or enforcement** actions for products or our worldwide operations.

Environmental stewardship

Starting in 2022, 100% of Kodak Moments thermal paper receiver was manufactured under the **Forest Stewardship Council® (FSC®) Chain of Custody (CoC)** Certificate (SCS-COC-006903). Our Multisite License FSC® C150656 includes 13 of our Legal Entities in 5 continents across the world and is managed by Kodak Moments Colorado. We now have a single FSC® Management System to support the FSC® Certificate and global distribution of certified product.

FSC® www.fsc.org FSC® C150656
The mark of responsible forestry

FSC® CoC certification communicates to Kodak Moments customers that its thermal paper receiver, which produces quality prints and photo products, is sourced from FSC® certified **responsibly managed forests** and other controlled sources.

100% of Kodak Alaris scanners qualify for the **EPEAT (Electronic Product Environmental Assessment Tool) Registry.** This is an internationally recognised Type I voluntary ecolabel with Bronze, Silver and Gold levels based on **environmental attributes that span the full product lifecycle**. At the close of FY23, **57%** of the Kodak Alaris scanner portfolio was registered **Gold**, with the remaining portfolio registered at the **Silver** level. The design and development teams continue to strive to meet a goal to raise 90% of the scanner portfolio to the Gold level by 2025 (based on 2021 Imaging Equipment criteria).

The UK subsidiary of Kodak Alaris Holdings Limited, Kodak Alaris Limited (KAL), is in the scope of the UK government's **Energy Saving Opportunities Scheme (ESOS)**. UK operations are limited to a single leased office and vehicle fleet utilized by service and sales professionals. There are no manufacturing or similar material/energy intensive activities, so metrics are focused on direct (scope 1) and indirect (scope 2) energy consumption. In the most recent 12-month reporting period ("current period")[1], KAHL's UK operation recorded a total energy consumption of 545,957 kWh (prior period[2]: 621,492 kWh). This consumption total includes 474,434 kWh (prior period[2]: 551,250 kWh) of direct scope 1 energy consumed by commercial vehicle transportation as well as 71,523 kWh (prior period[2]: 70,242 kWh) of indirect scope 2 electricity consumed at our leased office. There is no fossil fuel consumption (natural gas or other) associated with our leased office beyond the use of purchased electricity.

These figures were calculated in accordance with the UK's ESOS methodology. Following the UK "Environmental reporting guidelines" we used the Government Conversion Factors for Company Reporting (0.19338 kgCO_2e/kWh) as well as conversion factors for petrol and diesel fuels to estimate scope 1 & 2 emissions of 106 tonnes CO_2e during the current period[1]. Of this total, 92 tonnes CO_2e were associated with vehicle emissions (scope 1) and 14 tonnes CO_2e from purchased electricity (scope 2). The current period1 represents a decrease of 76,816 kWh (scope 1) consumption from transportation and an increase of 1,281 kWh office electricity consumed when compared to the prior period[2] which was heavily influenced by impacts from the COVID-19 pandemic.

KAL is also subject to **Streamlined Energy & Carbon Reporting (SECR)** obligations which requires the setting and reporting of Key Performance Indicators (KPIs). KAL management set a KPI to reduce its total emissions per FTE. The UK operation had 115 FTEs at the end of the current period[1] which yields a total value of 0.92 tonnes CO_2e / FTE (prior period[2]: 1.12 tonnes CO_2e / FTE). No significant actions to improve efficiency were taken during the reporting period while the business continued to recover from the global pandemic. Increased energy consumption at the office is most directly associated with increased office occupancy.

1 Current period = 1 October 2021 – 30 September 2022
2 Prior period = 1 October 2020 – 30 September 2021

Environmental & Social Responsibility (continued)

Task Force on Climate-related Financial Disclosures (TCFD)

Kodak Alaris voluntarily complies with the TCFD recommendations within this report, to the extent that the information is available. This disclosure reflects the Group's recognition of the threat posed by climate change and the need to reduce GHG emissions. Kodak Alaris supports the goals of Article 2 of the Paris Agreement, "holding the increase in the global average temperature to well below 2°C and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels". It also recognises that meeting the goals of Article 2 of the Paris Agreement requires global carbon emissions to peak as soon as possible and then to decline to reach net zero in the next 30–50 years.

For more information, please see EH&S pages of our internet site: https://www.kodakalaris.com/company/environment-health-and-safety

New Group Sustainability Goals

Our new longer-term sustainability goals, introduced in fiscal year 2022, reflect the challenges of climate change and other prominent sustainability issues faced by all our stakeholders. The Group Sustainability Goals and associated metrics are global and in addition to our UK-specific energy metrics. This extends our commitment to be good corporate citizens in all markets.

The primary, overarching goal and vision is that the Kodak Alaris Group will have a Carbon Neutral Value Chain for Scopes 1, 2 and 3 emissions by 2050. The vision will be supported by a series of near-term targets and commitments. A near-term greenhouse gas target of a 50% reduction in scope 1 & 2 emissions (compared to 2019 baseline) was approved by the Board of Directors, along with business-specific goals targeting scope 3 emissions. Additional goals and targets will be established on an iterative basis on our journey to achieve carbon neutrality. A summary of the current goals and FY23 progress appears in the subsequent table:

SUSTAINABILITY GOALS (APPROVED IN FY22)	FY23 PROGRESS (ON NEAR-TERM TARGETS)
Vision: Carbon neutral value chain (scope 1, 2 & 3 emissions) by 2050	Improved 2019 baseline accuracy for scope 1, 2 & 3 tCO2e in accordance with ISO 14064-1 protocols. Removed emissions associated with PPDS business from the 2019 baseline following sale of the business.
Mid-term GHG reduction: 50% reduction in scope 1 & 2 emissions by 2030 (compared to 2019 baseline)	Key reduction project identified at Kodak Moments Colorado site. Legacy boilers providing steam to the operations will be replaced. Technologies and business models are being evaluated.
Kodak Alaris: 90% of scanner portfolio registered EPEAT GOLD* by 2025 [scope 3] *Based on 2021 Imaging Equipment criteria	At the close of FY23, 57% of Kodak Alaris Scanner models (16 of 28) were registered at the EPEAT Gold Level. The balance of the portfolio was registered Silver.
Kodak Moments: 25% use phase energy reduction in new equipment by 2030 (compared to 2019 baseline) [scope 3]	Efficiency improvements targeting Kodak 6900 and 6950 Photo Printers are in process.
Environmental Management System: Maintain uninterrupted ISO 14001 certifications	All ISO 14001 certifications maintained with no significant nonconformances. [KM Colorado, KA Rochester, KAIE Shanghai, Product Stewardship & Governance]

Stakeholder Engagement


Employee photo competition award winning entry by MARGUERITE LOWE

The Board and the KAEC recognise the immense value that stakeholders provide in supporting Kodak Alaris' business and operations. Those stakeholders include The Board of the Pension Protection Fund, employees, suppliers, customers, the community and environment.
Like many businesses operating in a post-COVID environment, new challenges have presented themselves in addition to existing ones. Whilst shutdowns of manufacturing facilities and retailers as a result of COVID-19 were apparent during the year, they were thankfully more isolated with closures typically for shorter periods of time. Shortages of components and raw materials were a major impact throughout the year albeit the aptitude and dedicated focus of the management team on securing alternative sources of supply prevented a more serious shortage to the extent that at the close of the year component availability was almost back to normal levels. The situation however requires constant monitoring and engagement given the global nature and fragility of supply chains which once again could be materially impacted should there be any escalations in conflicts or trade wars, etc.

The commitment and dedication shown by the Group's employees is recognised as being critical in managing these risks. Unprecedented high inflation rates in many countries had a severe impact across the year. The Group is very fortunate to have many long-standing relationships with partners and the value of those partnerships has been critical in managing through global crises and shouldering the burden of inflation. The Board would like to acknowledge and thank all stakeholders for supporting the Group through unprecedented times.

Section 172

Successful stakeholder engagement also underpins the essence of what is contained within Section 172 of the Companies Act 2006; it is a director's duty to promote the success of the Company by having regard to stakeholder interests when discharging this duty. The following statement sets out how the directors at Kodak Alaris are discharging their duties.

Consequences of decisions in the long-term

The Board and KAEC during FY23 were fully focussed on the operation of the Alaris and Kodak Moments businesses and future growth opportunities. The sale of the PPDS and AI Foundry businesses during FY21 presented the opportunity to reduce complexity and operating costs across the Group. The transformation initiatives through the past two years have resulted in the successful execution of a number of business sales in low revenue countries to long standing partners, the restructuring of a number of employees, the exiting of a number of real estate leases and the closure of various legal entities and branches. These cost savings allowed for the successful investment in a new ERP platform which went live in July 2022 and investments in growth in both Alaris and Kodak Moments during the year. In addition, the transformation initiatives now allow the Group to be more focussed and to capitalise on growing existing partnerships with key customers as well as reducing the run rate of costs year on year, thus achieving a better return on investment for the shareholder.

Maintaining a reputation for high standards in business conduct

Kodak Alaris seeks to maintain a reputation for high standards of conduct. There is an ethos in Kodak Alaris of “doing what is right” whether that be typified by supporting employees and their families and local communities and charitable organisations or ensuring that as an organisation we maintain safe, injury-free workplaces. These are just a few of many examples of how the values that underpin the Business Conduct Guide, which was approved by the directors, are exemplified by the Board, KAEC and employees to ensure that operational decision making is both values based and sustainable and aligned to the requirements of Section 172.

Stakeholder Engagement (continued)

Group engagement with stakeholders is outlined below:

SHAREHOLDER	EMPLOYEES
Engagement with our shareholder, The Board of the Pension Protection Fund, was critical to ensure: **a) it supported the decision to reduce complexity of operations and costs across the Group which resulted in a number of business sales to long standing partners with minimal operational impact on the business and the corresponding closure of those legal entities and branches** **b) an amendment and extension to the revolving credit facility was granted which resulted in the existing facility being extended to September 2025 with two further options to request an extension to September 2026 and September 2027** **c) it received the financial and business information in a timely manner that was due to it under the revolving credit facility and that all requests for information were dealt with to ensure the continued availability of the facility** **PPF Engagement** An obvious example of engagement with the shareholder is the representation of the PPF at all Group Board meetings. The Chair of the Board and Mr. Morley both represent the PPF's interests, Mr. Morley being the CEO at the PPF. Additionally, the Chair, CEO, CFO, Group General Counsel and Group Treasurer attended monthly reporting meetings with the PPF. Such meetings address the trading performance of the Group, updates on key projects, litigation and matters relating to the revolving credit facility. The PPF has also participated in and supported the Group in it's efforts on Growth, Diversity, Equity and Inclusion, Environmental Social Governance, Gender Pay and Information Security and shared access to its expertise and resources. This has helped the Group to not only further its initiatives in those areas but also to align on approach.	**The Board is committed to making Kodak Alaris a great place to work. Engagement with employees globally at all levels of the organisation is key to understanding local issues and how they impact how employees are feeling. This helps Kodak Alaris continuously evaluate its culture, environment and values.** **Town Halls** The CEO and CFO regularly engage with employees through Global Town Halls. These have involved sharing business and financial updates as well as updates on key projects such as the ERP implementation and recognition of key employees that have contributed to the success of the Group. There were 4 Global Town Halls through the financial year hosted by the CEO. Additionally, a number of regular Town Halls have been hosted focussing on the Alaris and Kodak Moments businesses allowing employees a more in-depth review and analysis of the performance of those businesses and key initiatives. **Diversity, Equity and Inclusion** Diversity, Equity and Inclusion are important to the Group, the Board and the KAEC; together they accept there is more that can be done. A Global Inclusion Programme aims to bring together within a more structured framework the investment the Group has made, and will continue to make, in the areas of Wellness, Diversity, Equity and Inclusion, Cultural Awareness and Corporate Social Responsibility. Examples include undertaking in FY24 a series of events to publicise and acknowledge Mental Health Awareness Month in May, Pride Month in June, Women's Health Awareness Month in October and Men's Health Awareness Month in November. These initiatives help employees "Be You", remove barriers and prejudice and foster collaboration which the Group can benefit from. **Employee engagement survey** As Kodak Alaris has a worldwide, diverse workforce it is important for management to understand their views and act on their feedback. Whilst there are multiple ways for employees to raise questions such as at the Town Halls, the anonymity of the annual engagement survey can provide more time to reflect on certain subject matter areas. The Group therefore invites all employees globally, through an employee engagement survey, to share their thoughts in an open, honest and confidential way. The results of the survey enable the Board and the KAEC to identify key themes and, where acted upon, has led to improvements in the current working environment. The most recent annual employee engagement survey was launched 29 June 2023. **Health and Safety** The Board takes a direct interest in the health and safety of the workforce. At the majority of Board meetings, the Board reviewed key metrics relating to employee lost time to assess any underlying root causes and areas for improvement. The EH&S Manager for the Group has attended a number of those meetings. Additionally, the Board in July 2022 undertook training dedicated to Health & Safety with an external specialist trainer which resulted in a number of items being identified for improvement, all of which have been acted on since.

Stakeholder Engagement (continued)

SUPPLIERS

The value of relationships with key suppliers was severely tested as the worldwide demand for semiconductors and other key parts far outstripped supply. Having long standing relationships with certain suppliers helped to mitigate some of the exposure. Early in FY23, some suppliers have had to temporarily close manufacturing facilities due to local COVID-19 outbreaks and restrictions.

As such, key supply relationships have been reviewed at all Board and KAEC meetings to understand where risks lie, where key dependencies exist and the full suite of all other available options including spot buys, auction processes, re-engineering of products, contract management and exposures.

Given the volatility of the supply chain the reinforcement that all actions must be legal and ethical has been important.

Treating our suppliers fairly

The Board acknowledges that suppliers must invest in their operations, sometimes for the long term and they would not be incentivised to do this without having sufficient comfort that the Group would treat them fairly. As such we have a regular dialogue with key suppliers sharing details of our commitment to a sector/product line for forward planning purposes. A substantial number of agreements with key suppliers also have volume purchasing commitments that run out several months in the interests of fostering an open, transparent purchasing environment that allows long term planning to be made by the suppliers. Certain directors most notably the CEO and CFO have taken a personal role in negotiating such terms.

Dealing with suppliers that act legally and ethically

It is a priority of the Board that all supplies are sourced both legally and ethically. As such we engage with all suppliers to ensure they are aware of and commit to comply with our "Supplier's Code of Conduct" which is a Board approved governance policy. This ensures that supplies are not produced with child labour and that working practices are both legal and meet the standards we expect. Over time this approach will drive up standards within the supplier's operations, community and environment. In accordance with UK legislation and guidance the Board has approved a policy that takes a risk-based approach to identify modern slavery and servitude. A supplier questionnaire complimented by desktop reviews and supplier onboarding checks and protocols are in use to assess whether suppliers to the Group are acting legally and responsibly. These activities support the principles as set out in our Supplier Code of Conduct that we expect suppliers to adhere to if they wish to contract with the Group.

CUSTOMERS

At all Board meetings, given the uncertainty in the macro-economic environment, a detailed business review took place. Although a review of trading was undertaken as a matter of course, key risks and concerns were also reviewed. This year was another unpredictable year for management of risks some of which included (in no particular order): inflation, exchange rate fluctuations, interest rate rises, inability to purchase raw materials, inability to complete production, inability to ship final product on time; lack of availability of engineering staff and poaching; continuing Russia invasion of Ukraine; threats and counterthreats involving Russia, China and the US.

Understanding how each of these issues impacts customers at a micro level was understood and mitigating actions were taken where possible, and it was economically feasible to do so. Having an open dialogue with customers on the challenges the Group faces has been positive, ensuring they understand the issues. This investment has mitigated any commercial downsides to the Group.

Kodak Moments customer engagement

Engagement with key customers of Kodak Moments has been a high priority of the Board to ensure the needs of the customer are being serviced into the future. This has involved continuing to invest in the category and rolling out new photo products and services to retail customers to ensure the Kodak Moments solution stays ahead of its competitors.

Partner and Employee demonstrations & meetings

Following the relaxation of COVID-19 restrictions both the Alaris and Kodak Moments businesses have been able to reengage fully with customers, partners and employees through face-to-face workshops and off-site events. These events have been important to not only demonstrate the latest product and software offerings but also to assess demands and customer's unmet needs. These roadshows are also a perfect way to raise awareness and demonstrate to our partners our core values and set expectations of what the Group demands from its partners.

COMMUNITY AND THE ENVIRONMENT

The Board has a continued commitment to environmental responsibility and giving back through global initiatives and programmes.

Environmental

The Group is investing in its sustainability initiatives with a Board level commitment supported by the shareholder, to be carbon neutral as a Group by 2050.

A significant amount of work has been undertaken to identify and agree the shorter- and medium-term initiatives and workstreams required to ultimately reach the ambition of being carbon neutral. A cross functional team from the Alaris and Kodak Moments businesses, led by the EH&S function, is in place driving to deliver the operational changes in areas such as gas emissions and boiler efficiency that will help meet the shorter- and medium-term initiatives that ultimately drive towards the 2050 goal.

Shorter term goals approved by the Board and already being actioned include the reduction by 25% of phase energy in all Kodak Moments equipment launched by 2030 compared to current; and 90% of Alaris scanners to be EPEAT Gold by 2025.

Mid-term by 2030, a 50% reduction in greenhouse gas emissions is planned which will involve replacing the source of power at the Kodak Moments Colorado facility, a project already being scoped.

We continue to maintain five externally accredited ISO14001 Environmental Management Systems which require policy and senior management leadership and commitment with the goal of continuous improvement and minimisation of environmental impacts.

Community outreach

The Board takes a keen interest in and encourages Kodak Alaris to play a wider role supporting the communities where it operates and further afield.

Throughout the year the Group's employees yet again responded tremendously and helped those less fortunate than themselves. Some highlights include:

UK and Australia - Employees supported local a food banks and/or organisations supporting the homeless with much-needed food donations

US, Mexico, and Germany – Employees donated a significant number of holiday gifts to needy children and made additional monetary donations to various local charities and through the Amazon holiday wish list.

Employees globally took part in a Global Distance Challenge with the dual aims of becoming more fit and in the process raising funds for healthcare charities. As a result, Kodak Alaris made the maximum targeted donation to global organisations supporting health initiatives in China, Mexico and the US.

The Strategic Report was approved by the Board and signed on its behalf by Paul Wells.

Paul Wells
Chief Executive Officer - 7 August 2023

Governance Statement

The shareholder is a strong advocate for good corporate governance, so it is not surprising that the Group follows principles in the UK Corporate Governance Code (July 2018) and the Wates Corporate Governance Principles for Large Private Companies that are deemed relevant for the size and complexity of the Group (privately-owned, not listed). The Company's principles are designed to drive high standards of corporate governance through the Group and as a consequence secure long-term value for the shareholder.

The Code sets out how governance is achieved through the application of its five main principles and their supporting provisions:

- Board leadership and company purpose;
- division of responsibilities;
- composition, succession and evaluation;
- audit, risk and internal control; and
- remuneration.

Board leadership and company purpose

The Board is ultimately responsible to the shareholder for all the Group's activities, its strategy and financial performance. The Board's role is to ensure the Company operates with a clear sense of purpose, ethically and within an agreed corporate governance framework. Its role is successfully executed through collective engagement with many stakeholders, including employees, by demonstrating a combined sense of purpose. Having a clear vision and purpose helps inform the Board in its decision making and in the promotion of the long-term sustainable success of the Group.

The Board and the Group take the consequences of climate change very seriously and acknowledge that they are in a uniquely privileged position to help address the challenge. As such the Board will continue going forwards to take a greater interest in and responsibility for climate and sustainability risks and help drive the agenda, focus and commitment of the Group in reducing the Group's contributions to climate change. New environmental and sustainability goals were approved by the Board in FY22 which commits the Group to be net zero by 2050 with near term actions (see chart on page 27) to achieve that long term target already underway. The Board continues to track progress against those targets and challenge the KAEC on the deliverables. Recommendations from the TCFD have informed our approach.

Division of responsibilities

Role of the Chair - The Chair is responsible for leading the Board and ensuring its effectiveness in governing the affairs of the Group. The Chair ensures that links between the KAEC and the Group's shareholder are transparent and robust, whilst also providing support and challenge to the Executive Board members.

Role of the Chief Executive (CEO) - The CEO is responsible for the implementation and execution of the Group's strategy and for the day-to-day management of the Group. The CEO is supported by his fellow Executive Director and the KAEC members.

Role of the Non-Executive Directors - The Non-Executive Directors provide constructive challenge to the Executive Board members; monitor the delivery of the agreed strategy and provide strategy and market input to the Group's businesses. This input ensures appropriate co-ordination and sharing of knowledge, information and best practice across the Group.

The Board is satisfied that the Chair and each of the Non-Executive Directors have committed sufficient time during the year to enable them to fulfil their duties as directors of the Group.

The Group General Counsel and Company Secretary is responsible for advising the Board on all governance matters and supports the Chair in this capacity. In addition, the Group General Counsel also acts as the Group Compliance Officer and reports to the Board on all compliance issues.

Governance Statement (continued)

The Board of Directors

Chair, Executive Directors and Non-Executive Directors

The Board of Directors is responsible for the overall management of the Group and maintaining effective operational control of the Group, including significant financial, organisational, legal and regulatory matters.

Kodak Alaris Executive Committee (KAEC)

Chief Executive Officer, Chief Financial Officer, KM and Alaris Presidents, Group HR Director, Group Compliance Officer, Group General Counsel and Company Secretary.

Audit Committee

Responsible for monitoring the integrity of the Group's financial statements, effectiveness of internal controls, approving accounting policies and confirming independence of external auditor.

Remuneration Committee

Responsible for determining the overall framework and policy for the remuneration of the Chair, Executive Directors and the KAEC and other remuneration arrangements.

Nomination Committee

Responsible for board composition, appointment of directors and succession planning.

The Board is supported by the KAEC and three Board Committees which operate on a Group-wide basis – Audit and Risk, Nomination and Remuneration. The Board structure is designed to enable the Board and its Committees to receive the appropriate business and functional support required to discharge their responsibilities and to facilitate an appropriate level of information to allow constructive challenge and debate at Board level.

Board composition

The Board is led by an experienced, independent Chair who represents the PPF's interests. The Board has six directors (including the Chair), and the Company Secretary. Of the six directors, four are Non-Executive directors (two of whom are appointed to represent the PPF's interests) and two are Executive Directors. Of the six directors, four are male and two are female. The quorum for the Board is two directors. See pages 37 to 39 for more detail on the directors.

Board responsibilities, attendance and activities

At each Board meeting, to ensure independent judgment, the directors were invited to disclose any conflicts of interest. Any external appointments proposed to be undertaken that required the prior approval of the Board were also disclosed. The CEO provided an update on the Group's key activities and the CFO provided an update on the Group's financial performance for the year.

One of the Company Secretary's responsibilities is to ensure the business and the outcomes of each Board meeting are properly reflected in the Board minutes, together with any concerns noted by the Board. Board minutes were taken at each Board and Committee meeting throughout the year.

A summary of the meetings and attendance for all Board and Committee meetings is as follows:

Board and Board Committee Attendance 2023[1]

Directors	Board (7)	Audit and Risk Committee (5)	Remuneration Committee (6)	Nomination Committee (2)
Chris Howell	7	N/A	6	1
Paul Wells	7	N/A	N/A	N/A
Diane Gardner	7	N/A	N/A	N/A
Oliver Morley	7	5	6	2
Stephen Webster	7	5	6	2
Anastasia Roumelioti	6	5	5	1

1 Chris Howell attended 5 Audit and Risk Committees during the year as a guest as the Chair of the Board cannot be a member of the Audit and Risk Committee. Paul Wells and Diane Gardner both attended 5 Audit and Risk Committees and 6 Remuneration Committees respectively during the year as guests. None of them are members of those Committees and therefore did not count towards a quorum. Anastasia Roumelioti joined the Board in May 2022.

Governance Statement (continued)

Key Initiatives

During the year further work was undertaken to invest in the Data Privacy Compliance Programme under the leadership of the Group Data Privacy Officer. Key areas of activity included tracking the legislative changes in a number of US States relative to the processing and retention of data to ensure the Group remains compliant. In addition, many of the Group's policies have been reviewed, refreshed and reissued to track changes in legislation and best practice. Those include the Group Corporate Privacy Policy, Employee Privacy Notices, Data Protection Agreements with third parties, Privacy Notices, Cookie Banner Notices, and a refresh of the Group Data Retention Policy. The Group continues to invest heavily in this area given the sensitivity of Personally Identifiable Information and the material financial penalties that are available to regulators for non-compliance. Training, advice and support is provided to employees regularly as part of the Annual Compliance Training Programme to ensure they remain informed and educated of the changes in the Data Privacy landscape. The Board received reports in July 2022, January 2023 and August 2023 on the initiatives and future work planned.

Continuing investment was made throughout the year on the Group's Information Security programme given the instability globally and prevalence of cyber-attacks and fraudulent activity in general. In July 2022, the resilience of the Group's preparedness for a cyber-attack was tested by a simulated cybersecurity breach in conjunction with external experts and advisers. Whilst the results of the simulation were positive, in all areas opportunities for improvement were identified to improve the resilience of the Group. Through the year those recommendations have been acted on. In addition, further improvements have been made to tighten up local administrator user rights and a new Acceptable Use Policy has been issued supported by awareness training for all employees.

Employees of any organisation are typically an access point for cyber-attacks. With this in mind, throughout the year, employees received regular newsletters on current threats to be alert to, monthly educational mock phishing tests and training on social engineering. These investments are having encouraging results as the Group is significantly ahead of its peers on employee awareness benchmarks in areas such as mock phishing. The Board received reports in July 2022 and January 2023 on the initiatives and future work planned.

Transformation and Simplification continued to be key areas of activity throughout the year. Following a number of business disposals in prior years and the withdrawal of a direct business presence in a number of countries throughout the prior year, the Group focused on the liquidation or closure of those legal entities or branches through which the Group was no longer undertaking business directly. The Board received reports regularly throughout the year on the progress made, the liquidations and closures completed and the cost savings secured.

The Group continued to operate its modern slavery and whistleblowing compliance programmes however during the year in the interests of Transformation and Simplification withdrew the third-party whistleblowing hotline previously available to employees. An alternative reporting procedure was implemented at no cost to the Group that encourages any issues to be reported to the Group Compliance Officer who will then independently investigate the complaint in accordance with an agreed protocol. This process is compliant with current legislation. Investigations are reviewed by the Board at each Board meeting together with details of any follow-up action. These efforts were again complimented by e-learning modules to emphasise compliance.

Composition, succession and evaluation

Nomination Committee

The Nomination Committee is chaired by Mr. Howell who is also Chair of the Board of Kodak Alaris Holdings Limited. The composition of the Committee includes all the Non-Executive Directors. The quorum for the Nomination Committee is two.

The Nomination Committee has responsibility for:

- succession planning, appointments to the Board and key roles within the Group;
- Board evaluation and development activities;
- reviewing leadership development programmes for the Group and to consider programmes for the continuing development of Non-Executive Directors.

The Committee discharges its responsibilities through its meetings which are normally held at a minimum twice per year and at other times as needed.

Governance Statement (continued)

Board evaluation and outcome

The Board in order to be effective needs to have representatives that bring an appropriate balance of skills, experience and diversity.

Following a review of the diversity and skillset within the Board during FY22 it was decided that in order to support the required investments in technology across the Group to support the go to market efforts, an additional Non-Executive director should be appointed with experience in helping companies devise and execute a digital transformation strategy. A successful recruitment process resulted in the appointment of Ms. Anastasia Roumelioti to the Board on 23 May 2022 since which the Board and Group has benefitted from Ms. Roumelioti's skills and experience.

Audit, risk and internal control

The Audit and Risk Committee has adopted as widely as possible the recommendations of the Brydon report on the Quality and Effectiveness of Audit and in the event they become legislation, it was agreed to revisit how the legislation and the principles underpinning it might be adopted by the Group in the interests of further improving governance and reporting. The Audit and Risk Committee continues to track the progress of these recommendations through the legislative process and will be ready to implement any changes as required or deemed desirable.

During the year, the prior auditor to the Group, KPMG LLP, was replaced by Grant Thornton UK LLP following a competitive tender process. In order to ensure a smooth transition at the request of the Audit and Risk Committee, Grant Thornton UK LLP shadowed KPMG LLP during the FY22 Group Audit work. This has ensured a successful, orderly and efficient FY23 Group Audit by Grant Thornton UK LLP.

Compliance

With the assistance of the Audit and Risk Committee, the Board approves the Group's governance framework and reviews its risk management and internal controls processes with a view to maintaining high standards of corporate governance across the Group.

As in prior years, the Audit and Risk Committee regularly reviewed throughout the year the Group's emerging and principal risks together with how these are being managed and mitigated. The value of the existing governance structure was a critical factor in the Company's management and mitigation of supply chain shortages, foreign exchange risks and the uncertain geopolitical situation all of which had key impacts on the Group in FY23.

Audit and Risk Committee

During the year, the Audit and Risk Committee was chaired by Mr. Webster who is an independent Non-Executive Director with extensive financial experience gained in a number of prior senior positions. Mr. Howell attends by invitation only in compliance with the revised UK Corporate Governance Code 2018, which requires that the Chair should not be a member of the Audit and Risk Committee. The composition of the Audit and Risk Committee is three of the four Non-Executive Directors (noting Mr. Howell attends on invitation as a guest). The CFO is required to be present at all meetings. The quorum for the Audit and Risk Committee is two.

The Audit and Risk Committee has responsibility for:

- monitoring the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance, and reviewing significant financial reporting judgments contained in them;
- providing advice on whether the annual report and accounts taken as a whole, is fair, balanced and understandable and provides the information necessary for the shareholder to assess the Group's financial performance, business model and strategy;
- reviewing the internal financial and risk controls within the Group;
- monitoring and reviewing the effectiveness of the Business Assurance function;
- conducting the tender process and making recommendations about the appointment, renewal and removal of the external auditor and reviewing and approving any fees relating to the external auditor;
- reviewing and monitoring the external auditor's independence and objectivity;

Governance Statement (continued)

- reviewing the quality of and effectiveness of the external audit process; and
- developing a policy on the engagement of the external auditor for the supply of non-audit services.

Remuneration

The Remuneration Committee was chaired during the year by Mr. Webster an independent Non-Executive Director with experience of being a member of other Remuneration Committees. The composition of the Committee includes all the Non-Executive Directors. The quorum for the Remuneration Committee is two.

The Remuneration Committee has responsibility for:

- determining the overall framework and policy for the remuneration of the Chair, Executive Directors and the KAEC;
- employee remuneration and related policies, and the alignment of incentives and rewards with culture;
- the appointment of any remuneration consultant as required;
- setting a remuneration policy in respect of Executive Directors and the KAEC to provide market competitive packages that are intended to attract, motivate and retain high calibre individuals necessary to develop the Group;
- providing a Remuneration Report and a Gender Pay Gap Report to the shareholder on an annual basis.

Items discussed included senior management objectives, performance management, incentive schemes and Board appointments. The retained advisor for remuneration is Willis Towers Watson. The Committee discharges its responsibilities through its meetings which are held at a minimum twice per year and at other times as needed.

Chris Howell
Chair
7 August 2023

Board of Directors

Chris Howell

Chair
Chris was appointed to the Board as a Non-Executive Director in July 2020 to represent the interests of the PPF and was then elected Chair on 9 October 2020.

Experience:
Chris has over 25 years of international corporate advisory experience including as a Managing Director at KPMG LLP where he provided restructuring and corporate advice to numerous UK and international corporate clients across a broad and diverse range of sectors.

Chris is a highly experienced chair and advisor having guided numerous companies through challenging situations where guidance and support was required with refinancing, restructuring and transformation. He is a Fellow of the Institute for Turnaround/Fellow Association of Business Recovery Professionals and was awarded the IFT Listed Company Turnaround of the Year in 2011.

External directorships:
Panther Holdings Limited.
Yasimol Unipessoal Lda.
Wilkinson Hardware Stores Ltd.

Committees:
Chris is Chair of the Nomination Committee and a member of the Remuneration Committee.

Paul Wells

Chief Executive Officer and Executive Director
Paul joined the Group in January 2015 initially as Group HR Director and then from July 2020 as Chief Operating Officer. On 1 April 2022 he was promoted to Chief Executive Officer.

Experience:
Paul was previously VP Human Resources at Nokia having spent more than 14 years with Nokia in various people roles across the group.

Paul has overall leadership responsibility for Kodak Alaris, its financial and operational performance and strategy, as well as cultural transformation.

External directorships:
None.

Diane Gardner

Chief Financial Officer and Executive Director
Diane was appointed Chief Financial Officer in July 2020.

Experience:
Diane has over 25 years of progressive finance experience with both public and private companies. She joined Kodak Alaris upon its inception in September 2013 as Chief Tax Officer and was subsequently named Vice President of Tax & Treasury in September 2017. Diane was appointed Deputy CFO in August 2019 and served in that position until her appointment as Chief Financial Officer.

External directorships:
None.

Board of Directors (continued)

Oliver Morley

Non-Executive Director representing the Pension Protection Fund

Oliver was appointed to the Board as a Non-Executive Director in April 2020 to represent the interests of the Pension Protection Fund.

Experience:

Oliver is the Chief Executive Officer of the Pension Protection Fund where he oversees the management, development and direction of the organisation, a position he has held since 2018.

Prior to joining the Pension Protection Fund, Oliver was CEO of the UK Driver and Vehicle Licensing Agency (DVLA) and led the successful digital transformation of one of the UK's biggest multi-channel service organisations with over 45 million customers and £6 billion of revenue. Prior to this he was Chief Executive and Keeper of The National Archives, which brings genealogy and key historical records to life for millions of users.

Before this, Oliver worked at Thomson Reuters in a range of senior global and regional roles from FX and Money Markets to market data and technology.

External directorships:

None.

Committees:

Oliver is a member of the Audit and Risk, Nomination and Remuneration Committees.

Stephen P. Webster

Senior Independent Non-Executive Director and Chairman to the Audit and Risk and Remuneration Committees

Stephen was appointed an independent Non-Executive Director in June 2014.

Experience:

Stephen was Chief Financial Officer for more than 15 years at Wolseley plc, (now known as Ferguson UK Holdings Limited), a leading specialist distributor of plumbing and heating products and building materials and a FTSE 100 Group company based in the UK with global operations. He was responsible for Wolseley's listing on the New York Stock Exchange in 2001. Prior to joining Wolseley, he was a partner for more than eight years at PricewaterhouseCoopers. Stephen has held several other Non-Executive appointments and has chaired three Audit Committees prior to joining the Board of Kodak Alaris. He is a Fellow of the Institute of Chartered Accountants.

External directorships:

None.

Committees:

Stephen is Chair of the Audit and Risk and Remuneration Committees and a member of the Nomination Committee.

Board of Directors (continued)

Anastasia Roumelioti

Non-Executive Director
Anastasia was appointed an independent Non-Executive Director in May 2022.

Experience:
Anastasia was a director in an e-business team that focussed on consumer acquisition and retention at Reckitt, a FTSE 100 consumer product group based in the UK with operations worldwide. Prior to this, Anastasia was Head of Digital Centre of Excellence in the Specialised Nutrition business at Danone, a global producer of food and drink products. Anastasia helps businesses deliver growth through digital transformation and innovation.

External directorships:
Raffolux Limited.

Committees:
Anastasia is a member of the Audit and Risk, Nomination and Remuneration Committees.

John O'Reilly

Group General Counsel, Group Compliance Officer and Company Secretary
John joined Kodak Alaris in September 2014 as the Group General Counsel and Company Secretary to the Board and has since assumed the role of Group Compliance Officer.

Experience:
As well as having overall responsibility for the Group's Legal and Compliance functions, John is also a member of the KAEC. Previously John was the General Counsel for the EMEA and APAC regions at Parker Hannifin, a global engineering business based out of Cleveland, Ohio and prior to this Corporate M&A counsel at Rolls-Royce plc. Before moving in-house, John spent 8 years in private practice as an M&A lawyer. He is a qualified Solicitor in England and Wales. John has been included in the Lawyer's "Hot 100 of 2023" and was shortlisted by The Lawyer in "General Counsel of the Year 2023" category.

GOVERNANCE

Directors' Report

Principal activities

The principal activities of the Group and its subsidiaries are the sale of scanning hardware, capture software and associated services, consumer and professional photographic products, photo kiosks and dry technology photo labs and event imaging systems.

The review of performance during the year ended 31 March 2023, expected future development, and principal values and uncertainties are contained in the Strategic Report on pages 4 to 31.

Directors

The Directors who held office during the period were as follows:

- Chris Howell – Non-Executive Director representing Pension Protection Fund
- Oliver Morley – Non-Executive Director representing Pension Protection Fund
- Stephen Webster - Senior Independent Non-Executive Director
- Anastasia Roumelioti – Independent Non-Executive Director (appointed 23 May 2022)
- Paul Wells (Chief Executive Officer) – Executive Director
- Diane Gardner (Chief Financial Officer) – Executive Director

Director indemnities and insurance

In accordance with the Companies Act 2006 and the Company's Articles, the Group has purchased Directors' and Officers' liability insurance, which remains in place at the date of this report. The Group reviews its insurance policies on an annual basis in order to satisfy itself that its level of cover remains adequate. The last review was undertaken in September 2022.

Sole shareholder

The Group is wholly and ultimately owned by The Board of the Pension Protection Fund (PPF). During the year the Chair, Chief Executive Officer, Chief Financial Officer and Group General Counsel reported to the shareholder and its advisors on all key matters of importance, and to seek feedback on the strategy being undertaken and the performance of the Group. The Chair reported to the Board at each Board meeting to ensure the feedback of the shareholder was known to the Board.

Financial risk management

Details of the Group's financial risk management policies and objectives in respect of its use of financial instruments are included in note 24 to the consolidated financial statements, together with a description of its exposure, including its exposure to market risk, credit risk, liquidity risk and capital risk of the Group, in connection with such financial instruments.

Given the uncertain macro-economic environment as a result of geopolitical events, the Board has discussed and considered the possible effects of exchange rate fluctuations on its future results, but it is not the Board's accepted practice to forecast forward exchange rates. Any future foreign exchange gains or losses will be included in the income statement.

The Group has performed its regular review of expected credit loss provisions as part of the year-end process and recorded additional provisions where it considered there to be particular risks, specifically as a result of the fragile trading environment due to geopolitical events and continuing global supply chain issues.

The Group has the benefit of a senior credit facility with its shareholder, the PPF, which provides the Group with additional borrowing capacity of up to $50m. Given the uncertain macro-economic environment as a result of geo political events and the potential impacts on the trading and financial performance of the Group that may arise, the current facility was extended a second time to 29 September 2026, as allowed under the facility.

Directors' Report (continued)

Subsequent events and future developments

Since the end of the year the Group has been trading at or ahead of its forecasts although this has required continuing agility as pressures from foreign exchange rates, logistics and supply chain disruption remain.

Going Concern

The consolidated financial statements of the Group have been prepared under the assumption the Group operates on a going concern basis.

In assessing the going concern position of the Group, the directors have considered all the available planning information, including the current year budget and the outlook for the periods through to 31 March 2025 as contained in the most recent 3-year plan, as well as an assessment of the covenant compliance required during 24-month assessment period beginning April 2023 and ending March 2025. In addition, the directors considered the following:

- The Group entered into a 3-year Senior Credit Facility with its owner on 29 September 2020. In FY23 the maturity of the facility was extended two years from September 2023 to September 2025. In July 2023 the term of the facility agreement was extended a further 12-months to September 2026 indicating the shareholder's continuing support for the business and its strategy
- As at 31 March 2023 all terms of the facility had been complied with and the facility is fully available
- The Group outperformed its budgeted EBITDA and closing cash position targets for the year ended 31 March 2023
- The Group has net liabilities of $50 million at 31 March 2023, which includes $158 million of Tranche B Loan notes from the shareholder that do not mature until 31 August 2028

The directors considered risks in the amount and timing of cash flows and reviewed a severe but plausible downside scenario that covered the period to March 2025 to determine whether peak borrowing requirements would exceed the available facility and whether the covenants associated with this facility would be breached. This included the impacts of lower than budgeted film supply, continued pressure on Production Capture scanner demand and the inability to sustain budgeted corporate cost savings. In the severe but plausible case without implementing mitigation activities, management concluded it would have sufficient liquidity to meet its obligations, though the Group would need to draw on its facility to do so. Management also considered a scenario where the USD moved to parity with the EUR and arrived at the same conclusion.

The directors have a reasonable expectation that the Group and Company will have sufficient funds to continue to discharge its liabilities as they fall due for a period of at least 12 months from the approval of these financial statements.

Research and development

During the year ended 31 March 2023 the Group invested a total of $24m (2022: $22m) in research and development expenditure to support the development of future products and markets. A total of $20m (2022: $16m) was charged to the income statement in the year. In addition, $4m (2022: $6m) was capitalised as internally developed intangible assets. These investments improved and expanded, or laid the foundation for improving and expanding, our Kodak Moments and Alaris software applications and our kiosk, dry lab and scanner product lines.

Branches outside UK

The Group has two branches, Dubai and Beijing, as listed in Note 28 of the Group financial statements.

Political donations

Neither the Group nor any of its subsidiaries made any political donations or incurred any political expenditure during the period (2022: nil).

Directors' Report (continued)

Dividends

The Board did not declare a dividend during the year ended 31 March 2023 and has not declared one since.

Employee engagement

The Board recognise that its employees are key to successfully delivering its strategy and sustaining future business. During the year the Group employed an average of 1,483 employees (2022: 1,496) in 11 countries (2022: 14).

Kodak Alaris is committed to equal opportunity for all, without regard to race, religion, colour, national origin, citizenship, sex, sexual orientation, gender identity, age, veteran status, disability, genetic information, or any other protected characteristic.

The Board recognises the importance of engaging its employees to help them make their fullest contribution to the business and to drive the business forward. Through a variety of channels, the leadership team seeks to listen to employees' views and opinions and keep them informed about developments and prospects for the business.

During the year a key focus was the implementation of a new HR Information System which provides access to a number of learning resources. This has been widely taken up by employees and is helping to address knowledge and skills gaps given talent retention and talent development across the Group has been a key theme in Employee Engagement Surveys.

In an effort to also attract, engage, motivate and retain employees considerable investment has been made in the "Be You" initiative which has focussed on Wellness, Diversity, Equity and Inclusion, Cultural Awareness and Corporate Social Responsibility.

For more information see page 30 of the Strategic report.

Business relationships

The Board performs detailed reviews of its relationships with key partners at Board meetings. This includes review of macro level issues that have the potential to impact financial performance of the Group as well as key customer, supplier and financing relationships, where necessary.

Litigation, which has the potential to materially impact the Group is also reviewed at Board meetings.

For more information see page 31 of the Strategic report.

Disclosure of information to Auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information. Further, the Board considers the annual report and accounts to be fair, balanced and understandable and provides the information necessary for the shareholder to assess the Group's position, performance, business model and strategy.

Directors' Report (continued)

Auditor

During 2022, the Company retendered its external audit work and following a competitive tender process overseen by the Audit and Risk Committee, the Board agreed to appoint Grant Thornton UK LLP as the external auditor for FY23 and beyond. In order to ensure a seamless transition, Grant Thornton UK LLP shadowed KPMG LLP during the course of the FY22 external audit.

Grant Thornton UK LLP was appointed as auditor on 28th September 2022.

It is expected that as a result of the considerable business simplification undertaken significant external audit cost savings will be secured for FY23 and beyond versus prior years.

Approved by the Board on 7 August 2023 and signed on its behalf by

Diane Gardner
Director, Chief Financial Officer

Audit and Risk Committee Report

The purpose of the Kodak Alaris Audit and Risk Committee Report for the year ended 31 March 2023 is to provide insight into the focus, work and key issues considered by the Audit and Risk Committee. The Audit and Risk Committee monitors the Group's accounting policies, control environment and financial reporting process on behalf of the Board of Directors. The Group's management has primary responsibility for the financial statements, for maintaining effective internal control over financial reporting, and for assessing the effectiveness of internal control over financial reporting.

System of risk management and internal control

The Audit and Risk Committee has been delegated, by the Board, the responsibility of monitoring the effectiveness of the Group's system of risk management and internal control. It does so through:

- reviews and discussions with management and executives;
- review of business assurance reports, which focus on the Group's highest risk areas; and
- the use of external audit reports as part of the year-end audit and ongoing review processes

Key issues identified through this process are discussed by the Audit and Risk Committee with actions, owners and timelines being agreed, implemented and monitored. The Audit and Risk Committee regularly reviews the risk management process and its development (see Risk Report on pages 20 to 23 for more detail) and receives regular updates from the CFO, the Head of Risk and the Corporate Compliance Officer.

Configuration

The Audit and Risk Committee comprises three of the four Non-Executive Directors of the Board, whose relevant experience is set out on pages 37 to 39. In addition, by invitation, the Non-Executive Chair, Chief Executive Officer (CEO), Chief Financial Officer (CFO), the Group General Counsel, the Group Financial Controller and Head of Business Assurance attend meetings of the Audit and Risk Committee together with the Group's external auditors.

Responsibilities

The Audit and Risk Committee has been established to monitor the integrity of the Group's financial statements, the effectiveness of the internal financial controls, to approve relevant accounting policies and to confirm the independence of the external auditors. The terms of reference for the Audit and Risk Committee are reviewed annually. The last time they were amended was March 2021, to reflect the most current requirements, where appropriate. During the year, the Audit and Risk Committee, within their scope, supported management, external auditors, Business Assurance and other members of the senior management team, in fulfilling their responsibilities.

The key responsibility of the Audit and Risk Committee is to assist the Board in fulfilling its oversight responsibilities by monitoring:

- financial reporting processes;
- key accounting policies;
- the effectiveness of the Group's internal control and Business Assurance Function;
- the Group's risk management systems;
- the external audit of the financial statements; and
- the independence of the external auditors and in particular the provision of additional services to the Group

The Audit and Risk Committee regularly informs the Board of its activities and recommendations. Where it is dissatisfied with, or if it considers that actions or improvements are required concerning any aspect of financial reporting, risk management, internal control, compliance or business assurance related activities, it promptly raises these concerns with the Board. The Audit and Risk Committee has no executive role, and the directors remain responsible for the Group's affairs.

Audit and Risk Committee Report (continued)

Activities and major areas

The Audit and Risk Committee met on 5 occasions during the year and there was full attendance at each meeting. Meetings are scheduled to coincide with key dates in the financial reporting cycle. The Audit and Risk Committee has a rolling programme of agenda items to ensure that relevant matters are properly considered.

The main activities of the Audit and Risk Committee during the year and up to the date of signing the financial statements were:

AUDIT AND RISK COMMITTEE ACTIVITIES	MAY 2022	JUNE 2022	JULY 2022	JAN 2023	MAR 2023	MAY 2023	AUG 2023
Review of the annual report and financial statements			✓				✓
Review of going concern accounting assumption	✓		✓			✓	✓
Review of external auditor's reports	✓	✓	✓	✓	✓	✓	✓
Review of the report on accounting issues and key accounting judgements – including impact of COVID-19, one-off items, discontinued operations, valuation of defined benefit pension assets/ liabilities and asset impairment	✓	✓	✓	✓		✓	✓
Review of corporate governance compliance			✓	✓			✓
Review and approval of audit plan including status updates and results of work completed and Business Assurance Code of Practice	✓		✓	✓	✓	✓	✓
Risk management update and Risk Register review			✓		✓		✓
Review and assessment of internal controls	✓		✓	✓		✓	
Review of external auditor's fees, non-audit services, engagement letter and independence			✓				✓
Audit tender and appointment of statutory auditor			✓				
Review of corporate tax update and tax strategy	✓		✓		✓	✓	✓
Review of Audit and Risk Committee terms of reference	✓			✓			
Climate change reporting update	✓						

Steve Webb

Stephen Webster
Audit and Risk Committee Chair
7 August 2023

Employee photo competition award winning entry by MINGYI HEALY

Statement of Directors' Responsibilities

Statement of directors' responsibilities in respect of the Annual Report and the financial statements.

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Company financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK-adopted international accounting standards. 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 for that period. In preparing these financial statements, the directors are required to:

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

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

The directors are responsible for preparing the annual report in accordance with applicable laws and regulations. Having taken advice from the Audit and Risk Committee, the directors consider the annual report and the financial statements, taken as a whole, provides the information necessary to assess the company's performance, business model and strategy is fair, balanced and understandable.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 auditor information and to establish that the Company's auditor is aware of that information.

To the best of our knowledge:

- the group financial statements, prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation as a whole; and
- the Strategic Report and the Directors' Report include a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Chris Howell
Chair
7 August 2023

Independent Auditor's Report

Independent auditor's report to the members of Kodak Alaris Holdings Limited

Opinion

We have audited the financial statements of Kodak Alaris Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023, which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement, the Company Balance Sheet, the Company Statement of Changes in Equity, the Company Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006 .

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2023 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards; and
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards; 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.

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 macro-economic uncertainties such as the situation with Russia and Ukraine and Covid-19, 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.

Independent Auditor’s Report (continued)

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 annual report, other than the financial statements and our auditor’s report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 47, 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.

Independent Auditor's Report (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 that are applicable to the group and industry in which it operates through our general commercial and sector experience, discussions with management and review of board minutes. We determined that the most significant are those that relate to the reporting frameworks (UK-adopted international accounting standards, Companies Act 2006) and the relevant tax compliance regulations in the jurisdictions that the group operate.
- We enquired of management and those charged with governance, concerning the group'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 those charged with governance, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
  - Assessing the design effectiveness of controls management has in place to prevent and detect fraud;
  - Challenging assumptions and judgements made by management in its significant accounting estimates;
  - Identifying and testing journal entries, in particular journal entries posted with unusual account combinations; and
  - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.
- 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;
- Assessment of 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 through appropriate training and participation;
  - knowledge of the industry in which the Group operates;
  - understanding of the legal and regulatory requirements specific to the group including:
    - the provisions of the applicable legislation;
    - the applicable statutory provisions.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

Independent Auditor’s Report (continued)

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.

Grant Thornton UK LLP

Wendy Russell BSc FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Milton Keynes
Date: 7 August 2023

Consolidated Financial Statements

Consolidated Income Statement

for the year ended 31 March 2023

	Note	Year ending 31 March 2023 $000	Year ending 31 March 2022 $000
Revenue	3	**495,968**	510,291
Cost of sales	4	**(348,108)**	(341,966)
Gross profit		**147,860**	168,325
Administrative expenses	4	**(132,448)**	(146,313)
Research and development expenses	4	**(20,338)**	(16,038)
Operating (loss)/profit		**(4,926)**	5,974
Financial income	8	**705**	323
Financial expenses	8	**(23,447)**	(16,254)
Loss before tax		**(27,668)**	(9,957)
Taxation	9	**(4,928)**	(7,505)
Loss for the year		**(32,596)**	(17,462)

Total loss for the year is attributable to the equity holder of the parent. All operations are continuing for the year ended 31 March 2023

The notes on pages 57 to 96 are an integral part of these consolidated financial statements.

Consolidated Financial Statements
(continued)

Consolidated Statement of Comprehensive Income
for the year ended 31 March 2023

	Note	**Year ending 31 March 2023 $000**	**Year ending 31 March 2022 $000**
Loss for the year		**(32,596)**	(17,462)
Other comprehensive income/(expense):			
Items that will not be reclassified to profit or loss			
Re-measurements of defined benefit liability	*21*	**2,781**	1,165
Deferred tax on other comprehensive loss for the year	*14*	**(748)**	(129)
Items that may be recycled subsequently to profit or loss			
Foreign currency translation differences – foreign operations	*23*	**6,021**	(707)
Other comprehensive income for the year, net of tax		**8,054**	329
Total comprehensive expense for the year		**(24,542)**	(17,133)

The notes on pages 57 to 96 are an integral part of these consolidated financial statements.

Consolidated Financial Statements
(continued)

Consolidated Balance Sheet
at 31 March 2023

	Note	31 March 2023 $000	31 March 2022 $000
Assets			
Property, plant and equipment	11	**25,208**	23,753
Intangible assets	12	**22,669**	30,921
Goodwill	12	**15,923**	16,400
Trade and other receivables	17	**908**	1,805
Deferred tax assets	14	**9,480**	9,944
Non-current assets		**74,188**	82,823
Inventories	15	**74,881**	56,988
Other investments	16	**-**	213
Trade and other receivables	17	**79,820**	74,500
Cash and cash equivalents	18	**42,964**	71,217
Current assets		**197,665**	202,918
Total assets		**271,853**	285,741
Liabilities			
Other Interest-bearing loans and borrowings	19	**(172,008)**	(157,272)
Other payables	20	**(14,289)**	(16,261)
Employee benefits	21	**(12,567)**	(15,450)
Provisions	22	**(4,664)**	(4,097)
Deferred tax liabilities	14	**(1,662)**	(1,796)
Non-current liabilities		**(205,190)**	(194,876)
Other Interest-bearing loans and borrowings	19	**(5,449)**	(5,638)
Trade and other payables	20	**(107,979)**	(105,586)
Income and other tax payable	9	**(567)**	(974)
Provisions	22	**(2,329)**	(3,786)
Current liabilities		**(116,324)**	(115,984)
Total liabilities		**(321,514)**	(310,860)
Net liabilities		**(49,661)**	(25,119)
Equity attributable to equity holders of the parent			
Share capital	23	**167,000**	167,000
Retained deficit	23	**(794,099)**	(763,536)
Capital contribution reserve	23	**573,348**	573,348
Translation reserve	23	**4,090**	(1,931)
Total deficit		**(49,661)**	(25,119)

The notes on pages 57 to 96 form part of these financial statements.

These financial statements were approved by the Board of Directors on 7 August 2023 and were signed on its behalf by:

Diane Gardner
Chief Financial Officer

Company registered number: 08550309

Consolidated Financial Statements
(continued)

Consolidated Statement of Changes in Equity
for the year ended 31 March 2023

	Note	Share capital $000	Capital contribution reserve $000	Translation reserve $000	Retained deficit $000	Total equity $000
Balance at 1 April 2021		167,000	573,348	(1,224)	(747,110)	(7,986)
Total comprehensive income for the year						
Loss for the year		-	-	-	(17,462)	(17,462)
Other comprehensive (expense)/income	*21,23,14*	-	-	(707)	1,036	329
Total comprehensive expense for the year		-	-	(707)	(16,426)	(17,133)
Balance at 31 March 2022		**167,000**	**573,348**	**(1,931)**	**(763,536)**	**(25,119)**
Balance at 1 April 2022		**167,000**	**573,348**	**(1,931)**	**(763,536)**	**(25,119)**
Total comprehensive income for the year						
Loss for the year		**-**	**-**	**-**	**(32,596)**	**(32,596)**
Other comprehensive income	*21,23,14*	**-**	**-**	**6,021**	**2,033**	**8,054**
Total comprehensive expense for the year		**-**	**-**	**6,021**	**(30,563)**	**(24,542)**
Balance at 31 March 2023		**167,000**	**573,348**	**4,090**	**(794,099)**	**(49,661)**

The notes on pages 57 to 96 form part of these financial statements.

Consolidated Financial Statements
(continued)

Consolidated Cash Flow Statement
for the year ended 31 March 2023

	Note	Year ending 31 March 2023 $000	Year ending 31 March 2022 $000
Cash flows from operating activities			
Loss for the year[1]		**(32,596)**	(17,462)
Adjustments for:			
Depreciation and impairment charge	*11*	**9,630**	12,273
Amortisation and impairment charge	*12*	**12,543**	21,564
Depreciation and impairment charge on right-of-use assets	25	**5,440**	9,203
Loss on disposal of property, plant and equipment		**1,096**	972
(Gain)/loss on disposal of land and buildings		**(17)**	71
Change in fair value of forward and swap contracts		**740**	(200)
Loss/(Gain) on sale of businesses		**1,235**	(5,049)
Interest on lease liabilities	*25*	**786**	797
Gain on sale of other intangibles		**(3,505)**	-
Other non-cash movements		**60**	715
IAS 19 pension charge	*21*	**969**	923
Taxation expense	*9*	**4,928**	7,505
Net foreign exchange losses		**4,322**	1,789
Net financial expense	*8*	**15,880**	11,793
Profit for the year after non-cash adjustments		**21,511**	44,894
Increase in trade and other receivables		**(7,786)**	(108)
Increase in inventories		**(18,952)**	(7,314)
(Decrease)/Increase in provisions		**(891)**	2,073
Increase/(decrease) in trade and other payables		**5,200**	(12,907)
Taxation paid		**(5,852)**	(10,948)
Cash contributions to pension schemes	*21*	**(1,120)**	(1,076)
Net cash (used in)/from operating activities		**(7,890)**	14,614
Cash flows from investing activities			
Purchase of property, plant and equipment	*11*	**(12,073)**	(8,289)
Acquisition of intangible assets	*12*	**(4,803)**	(7,453)
Proceeds from sale of property, plant and equipment		-	320
Proceeds from sale of other intangibles		**3,505**	-
Interest received		**706**	323
Proceeds from sale of business		**325**	1,488
Net cash used in investing activities		**(12,340)**	(13,611)
Cash flows from financing activities			
Decrease in long term borrowings		**(520)**	(500)
Lease payments	*25*	**(5,571)**	(6,231)
Interest paid		**(502)**	(649)
Net cash used in financing activities		**(6,593)**	(7,380)
Net decrease in cash and cash equivalents		**(26,823)**	(6,377)
Cash and cash equivalents at beginning of the year		**71,217**	78,941
Effect of exchange rate fluctuations on cash held		**(1,430)**	(1,347)
Cash and cash equivalents at the end of the year	*18*	**42,964**	71,217

In the prior year the Group elected to present a statement of cash flows that included an analysis of all cash flows.

The notes on pages 57 to 96 form part of these financial statements.

1 Net cash used in operating activities includes non-recurring costs of $825 thousand (2022: $1,094 thousand) as disclosed in note 4.

Notes to the Consolidated Financial Statements

(forming part of the financial statements)

Note 1: General information

Kodak Alaris Holdings Limited (the 'Company') is a private company limited by shares, incorporated and domiciled in England and Wales. The Company's registered office has changed with effect from 17 July 2023, to Part Second Floor of Westside Two, Westside, London Road, Apsley, Hemel Hempstead, Hertfordshire HP3 9TD, England. The consolidated financial statements comprise of the Company and its subsidiaries (together referred to as the 'Group').

Note 2: Accounting policies

A. Basis of preparation

The Group and Company financial statements have been prepared in accordance with UK-adopted international accounting standards. The Group and Company financial statements have been prepared on a going concern basis for the reasons outlined in note 2C.

The Group financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of 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 judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 31.

On publishing the parent company financial statements here together with the Group financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual income statement and related notes that form a part of these approved financial statements. In addition, the Group has taken advantage of the audit exemption as permitted in s479 of the Companies Act 2006. The subsidiary companies Kodak Alaris Limited (company number 08552155) and Kodak Alaris International Limited (company number 08574793) are exempt from the requirement of the Companies Act 2006 relating to the audit of the financial accounts for the year ended 31 March 2023. Under section 479A, Kodak Alaris Holdings Limited guarantees all outstanding liabilities to which the subsidiary companies are subject to as at 31 March 2023 until they are satisfied in full and the guarantee is enforceable against the Company by any person to whom the subsidiary company are liable in respect of those liabilities.

B. Recent accounting developments

Accounting standards adopted in the year

The Group considered the impact to the following standards and amendments which were endorsed by the EU or the new UK endorsement board and are effective for the year ended 31 March 2023:

- Amendment to IFRS 17: Insurance Contracts
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 8: Definition of Accounting Estimates
- Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The changes in the standards are either not relevant or do not have a significant impact on the Group.

Accounting standards not yet adopted

The following standard and interpretation have been issued by the International Accounting Standards Board (IASB) and IFRIC but have not been adopted either because they were not endorsed by the EU or the new UK endorsement board at 31 March 2023 or they are not yet mandatory, and the Group has not chosen to early adopt. The Group plans to adopt these standards and interpretations when they become effective. The impact on the Group's financial statements of the future standards, amendments and interpretations is still under review and where appropriate, a description of the impact of certain standards and amendments is provided below:

International accounting standards and interpretations	Effective date
Amendments to IAS 1: Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants	1 January 2024
Amendments to IFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024

The changes in the standards are not expected to be relevant or have a significant impact on the Group.

Notes to the Consolidated Financial Statements
(continued)

C. Going concern

The consolidated financial statements of the Group have been prepared under the assumption the Group operates on a going concern basis.

In assessing the going concern position of the Group, the directors have considered all the available planning information, including the current year budget and the outlook for the periods through to 31 March 2025 as contained in the most recent 3-year plan, as well as an assessment of the covenant compliance required during the 24-month assessment period beginning April 2023 and ending March 2025. In addition, the directors considered the following:

- The Group entered into a 3-year $50 million Senior Credit Facility with its owner on 29 September 2020. In FY23 the maturity of the facility was extended two years from September 2023 to September 2025. In July 2023 the term of the facility agreement was extended a further 12-months to September 2026 indicating the shareholders continuing support for the business and its strategy.
- As at 31 March 2023 all terms of the facility had been complied with and the facility is fully available.
- The Group outperformed its budgeted EBITDA and closing cash position targets for the year ended 31 March 2023.
- The Group has net liabilities of $50 million at 31 March 2023, which includes $158 million of Tranche B Loan notes from the shareholder that do not mature until 31 August 2028.

The directors considered risks in the amount and timing of cash flows and reviewed a severe but plausible downside scenario that covered the period to March 2025 to determine whether peak borrowing requirements would exceed the available facility and whether the covenants associated with this facility would be breached. This included the impact of lower than budgeted film supply, continued pressure on Production Capture scanner demand and the inability to sustain budgeted corporate cost savings. In the severe but plausible case without implementing mitigation activities, management concluded it would have sufficient liquidity to meet its obligations though the Group would need to draw on its facility to do so. Management also considered a scenario where the USD moved to parity with the EUR and arrived at the same conclusion.

In arriving at this conclusion, management assumed restricted cash, that is cash not easily available for liquidity purposes, of $19 million including $11 million in trapped cash, which is the maximum permitted under the credit facility and an $8 million buffer on cash balances around the Group to ensure obligations can be met as they fall due.

In addition to testing a severe but plausible downside scenario the directors have also performed a reverse stress test (breakeven assessment) which considers the reduction in revenues required to reduce available liquid resources down to zero. Despite not taking the outperformance in FY23, the strong performance for the first quarter, or any potential mitigating actions, into consideration when performing this test, the directors consider the suggested changes implied by this test to be very unlikely.

The directors have a reasonable expectation that the Group and Company will have sufficient funds to continue to discharge its liabilities as they fall due for a period of at least 12 months from the approval of these financial statements.

Notes to the Consolidated Financial Statements
(continued)

D. Basis of consolidation

Subsidiaries are entities controlled by the Group at the reporting date. Control exists when the Group has power over an entity, exposure to variable returns from its involvement with an entity and the ability to use its power over an entity so as to affect the Company's returns. The acquisition date is the date on which control is transferred to the acquirer.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated on consolidation. When the Group loses control over a subsidiary or business combination, it derecognises the assets and liabilities of the subsidiary, and any related Non-Controlling Interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

All subsidiaries have the same reporting date which are coterminous with the Group, with the exception of Kodak Alaris Imaging Equipment (Shanghai) Co. Ltd, Kodak Alaris Management (Shanghai) Co. Ltd., and Kodak Alaris Mexico S.A. de C.V. which all have a 31 December year-end in-line with local legislation. These subsidiaries align their fiscal calendars with the Group for consolidation.

E. Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Investments in associates are stated using the equity method.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within the statement of profit or loss.

F. **Foreign Currency**

Transactions in foreign currencies are translated to the respective functional currencies of the Group's entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The Group's presentation currency is US dollars (USD). The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentation currency at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the month where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the translation reserve.

On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

G. Classification of financial instruments

Financial instruments issued by the Group are treated as equity only to the extent that they include no contractual obligations upon the Company (or Group) to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company (or Group). Where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares. Transaction costs on the issue of shares are deducted in equity reserve.

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy.

H. Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Notes to the Consolidated Financial Statements
(continued)

Trade and other receivables

Trade and other receivables are recognised initially at the transaction price unless they contain significant financing components in which case they are recognised at fair value. After initial recognition, and if the amounts are material, they are measured at amortised cost using the effective interest method, less any impairment losses. The Group applies the IFRS 9 simplified approach to measuring expected credit losses (ECL), which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and the days past due, and a 180-day default criterion is applied, individually for each subsidiary in the Group, as a means of calculating the ECL percentage to be applied to each category of days past due for that entity.

In addition to the ECL provision, the Group reviews trade receivables to make additional provisions where objective evidence of default of receivable payment history or circumstances exists.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition, and if the amounts are material, they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and current balances with banks and similar institutions, which are readily convertible to known amounts of cash. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement. Balances that are continuously overdrawn would form part of borrowings

The Group applies the practical expedient allowed by IFRS 9, assuming there is no significant increase in the credit risk of cash where the credit risk remains low at the reporting date. Accordingly, the Group applies the general approach to cash.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributed transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

I. Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on re-measurement to fair value is recognised immediately in profit or loss.

J. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The Group capitalises costs directly related to the acquisition or construction of a capital asset if the item has a useful life of three years or more. The Group capitalises costs incurred during the ownership of a capital asset if the expenditure increases the asset's productive capacity, enhances the asset's performance or operating efficiency, or extends the useful life of the asset.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of property, plant and equipment. Depreciation methods, useful lives and residual values are reviewed at each balance sheet date. Land is not depreciated. Typical estimated useful lives are as follows:

- Buildings and building equipment - 5 to 20 years
- Plant and equipment - 5 to 15 years
- Rental equipment - 4 years
- Assets under construction are not depreciated.

Derecognition

The Group derecognises property, plant and equipment:
(a) on disposal; or
(b) when no future economic benefits are expected from its use or disposal.

K. Leases

The Group leases various properties and vehicles. Property lease terms are negotiated on an individual basis and contain a range of different terms and conditions. Vehicle lease terms tend to be of a standard nature. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance expense. The finance expense is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis, as follows:

- Property 1 to 10 years
- Motor vehicles and other equipment 3 to 4 years

Notes to the Consolidated Financial Statements
(continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

The right-of-use assets are also subject to impairment.

The Group does not recognise any of its property leases as being short-term but does for some of its vehicles. The Group does not recognise any of its leases as being of low value. The Group continues to recognise in profit or loss payments made under such leases on a straight-line basis over the terms of the leases.

The Group does not have any variable lease payments that depend on sales.

There are no contracts with lessor only extension options.

L. Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The Group measures goodwill at the acquisition date as the fair value of the consideration transferred; plus, the recognised amount of any non-controlling interests in the acquiree; plus the fair value of the existing equity interest in the acquiree; less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

M. Intangible assets and goodwill

Goodwill

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment in the investee.

Research and development

Expenditure on research activities is recognised in the income statement as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has the technical ability and has sufficient resources to complete development, future economic benefits are probable and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Software

Software includes capitalised cost of the Group's ERP software and expenditure on major updates, which enhances the value of the software. Software is stated at cost less accumulated amortisation and accumulated impairment losses.

Other intangible assets

Other intangible assets, including customer relationships, patents and trademarks, that are acquired by the Group are stated at cost less accumulated amortisation and less accumulated impairment losses. Expenditure on renewal of patents is recognised in the income statement as an expense as incurred.

Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment annually. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Patents – unexpired life of patents, average approximately 10 years
- Customer relationships – 5 to 15 years
- Capitalised development costs – 3 to 5 years
- Capitalised software development costs – up to 3 years
- Trademarks – 5 years
- Computers and software – 3 years
- ERP hardware and software – 7 years

Notes to the Consolidated Financial Statements
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Derecognition

The Group derecognises an intangible asset:
(a) on disposal; or
(b) when no future economic benefits are expected from its use or disposal.

N. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

O. Impairment excluding inventories and deferred tax assets

Financial assets (including receivables)

The Group recognises an allowance for expected credit losses on financial assets. The amount of expected credit losses (ECL) is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group measures the loss allowance for normal performing financial assets at an amount equal to the 12-month ECL. When the credit risk of a financial asset increases significantly, the Group measures the loss allowance equal to the lifetime ECL which is equal to the difference between the present value of the contractual cash flows and the present value of expected cash flows. If the Group measured the loss allowance for a financial instrument at an amount equal to the lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance equal to the 12-month ECL The decrease in impairment is reversed through profit or loss.

In line with IFRS 9 the Group segments its trade receivables based on shared characteristics and recognises a loss allowance for the lifetime expected credit loss for each segment. The expected credit loss is based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors such as significant financial difficulty of the debtor or default by the debtor, general economic conditions and an assessment of current and forecast conditions at the reporting date.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated prior to the end of each reporting period.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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. In determining fair value, an assessment has been made of the price that would be received for sale in an orderly transaction between market participants at the measurement date. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or (CGUs) subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis subject to the recoverable amount of the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

These reductions in carrying amounts shall be treated as impairment losses on individual assets and recognised in accordance with IAS 36.

P. Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets are deducted. The Group determines the net interest on the net defined benefit liability/asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of

Notes to the Consolidated Financial Statements
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the annual period to the net defined benefit liability/(asset). The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA or equivalent, that have maturity dates approximating the terms of the Group's obligations and that are denominated in the currency in which the benefits are expected to be paid. In regions where corporate bond markets are not deep it is based on government bonds.

Re-measurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit or loss.

When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service, or the gain or loss on curtailment, is recognised immediately in profit or loss when the plan amendment or curtailment occurs.

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The gain or loss on a settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price, including any plan assets transferred and any payments made directly by the Group in connection with the settlement.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Q. Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

R. Revenue

Revenues comprise sales to outside customers after discounts, excluding value added taxes. The main revenue streams of the Group are:

- Product consumables;
- Equipment hardware:
- Software sales; and
- Services sales.

The Group recognises revenue based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Control is transferred when the customer can direct the use of and obtain substantially all the remaining benefits from the asset. Revenue is recognised either 'over time' as control of the performance obligation is transferred to the customer or when the performance obligation in the contract has been performed ('point in time'). For contracts that permit the customer to return an item, the returns are estimated based on historical data. The amount of revenue recognised is adjusted with a corresponding reduction to trade receivables The Group reviews its estimate of expected returns at each reporting date.

Product consumables - the performance obligation is the product being supplied. Revenue is recognised when control of the products has been transferred, when the Group has discharged its shipping obligations and there is no further obligation that could affect the distributors' acceptance of the product.

Equipment hardware - scanners and photo kiosks. The performance obligation is the equipment being supplied. Revenue is recognised when control of the products has transferred, when the Group has discharged its shipping obligations and there is no further obligation that could affect the distributors' acceptance of the product. Where the Group is responsible for installing the equipment, revenue is recognised when the equipment is installed at the customer.

Manufacturer fault warranties do not comprise a separate performance obligation and are accounted for in accordance with IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. The Group accrues the estimated cost of post-sale obligations based on historical experience at the time the Group recognises revenue.

Software sales - for software with a right to use which transfers immediately to the customer, revenue is recognised at the point of time when the software is delivered. For right to access software licences which require continuous upgrades and updates for the software to remain useful, revenue is recognised over time.

Services sales – comprise a diverse range of performance obligations, including event imaging solutions and customer support, marketing, technical advice, warranty and maintenance agreements. The contract price is deferred and recognised in line with the service period. In situations where the service is provided as part of a package, the transaction price is allocated to these performance obligations based on the standalone selling price method or cost-plus margin approach.

Notes to the Consolidated Financial Statements
(continued)

S. Financing income and expenses

Financing expenses comprise interest payable and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy). Financing income comprise interest receivable on funds invested, dividend income, and net foreign exchange gains.

Interest receivable and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

T. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Government grants received are varied in nature and are recognised in the income statement so as to match them with the related expenses that they are intended to compensate. Where grants are received in a different period to the related expenses, they are initially recognised in the Balance Sheet, and released to the income statement to match the related expenditure.

U. Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of previous years.

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

V. Non-recurring items

Non-recurring items are significant items within profit or loss that derive from individual events that fall within the ordinary activities of the Group. They are identified as non-recurring by virtue of their size, nature and incidence and have been separately disclosed in order to give a better view of the underlying trading of the Group.

Notes to the Consolidated Financial Statements
(continued)

Note 3: Revenue

Business Unit split of revenue

	Kodak Moments $000	Alaris $000	Total Year ending 31 March 2023 $000
Sale of goods	**297,478**	**94,114**	**391,592**
Rendering of services	**34,610**	**69,766**	**104,376**
Total revenues	**332,088**	**163,880**	**495,968**

	Kodak Moments $000	Alaris $000	Total Year ending 31 March 2022 $000
Sale of goods	276,503	118,026	394,529
Rendering of services	38,196	77,566	115,762
Total revenues	314,699	195,592	510,291

Geographical split of revenue:

	United States & Canada $000	Europe, Middle East & Africa $000	Latin America $000	Asia-Pacific $000	Total Year ending 31 March 2023 $000
Sale of goods	**144,459**	**142,324**	**29,431**	**75,378**	**391,592**
Rendering of services	**44,327**	**47,099**	**1,557**	**11,393**	**104,376**
Total revenues	**188,786**	**189,423**	**30,988**	**86,771**	**495,968**

	United States & Canada $000	Middle East & Africa $000	Latin America $000	Asia Pacific $000	Total Year ending 31 March 2022 $000
Sale of goods	137,464	147,582	25,729	83,754	394,529
Rendering of services	44,414	55,174	1,291	14,883	115,762
Total revenues	181,878	202,756	27,020	98,637	510,291

Notes to the Consolidated Financial Statements
(continued)

Note 4: Expenses by nature

	Note	Administrative Expenses $000	Cost of goods sold $000	Research and development $000	Total Expenses by nature $000
Change in Inventory		-	(17,893)	-	(17,893)
Material Purchases		-	216,574	-	216,574
Employee benefits expense		63,074	61,014	20,183	144,271
Depreciation and amortisation		12,300	7,064	24	19,388
Overhead		45,484	49,219	131	94,834
Other[1]		2,540	17,301	-	19,841
Distribution, warehousing, and transportation		-	14,829	-	14,829
Expenses by nature		123,398	348,108	20,338	491,844
Impairment:					
Property, plant, and equipment[2]	*11*	5,780	-	-	5,780
Goodwill	*12*	-	-	-	-
Intangible assets	*12*	2,445	-	-	2,445
Impairment		8,225	-	-	8,225
Legal, professional, and other costs[3]		948	-	-	948
ERP upgrade project[4]		2,034	-	-	2,034
Sale of IP addresses[5]		(3,505)	-	-	(3,505)
Loss on divestiture[6]		1,348	-	-	1,348
Non-recurring items[7,9]		825	-	-	825
Total at 31 March 2023		132,448	348,108	20,338	500,894

	Note	Administrative Expenses $000	Cost of goods sold $000	Research and development $000	Total Expenses by nature $000
Change in Inventory		-	(6,442)	-	(6,442)
Material Purchases		-	199,484	-	199,484
Employee benefits expense		68,198	60,848	18,576	147,622
Depreciation and amortisation		20,801	7,921	2	28,724
Overhead		41,220	51,556	(2,540)	90,236
Other[1]		801	14,259	-	15,060
Distribution, warehousing, and transportation		-	14,340	-	14,340
Expenses by nature		131,020	341,966	16,038	489,024
Impairment:					
Property, plant, and equipment	*11*	9,711	-	-	9,711
Goodwill	*12*	26	-	-	26
Intangible assets	*12*	4,462	-	-	4,462
Impairment		14,199	-	-	14,199
Legal, professional, and other costs[3]		2,769	-	-	2,769
ERP upgrade project[4]		717	-	-	717
Restructuring costs[8]		3,076	-	-	3,076
Gain on divestiture[6]		(5,468)	-	-	(5,468)
Non-recurring items[7,9]		1,094	-	-	1,094
Total at 31 March 2022		146,313	341,966	16,038	504,317

[1] Included in 'Other' are various other costs directly incurred in delivering the revenue for the year. The most significant of these are engineering costs at $7m. There are no other individual material cost categories.
[2] Includes the reversal of $447 thousand of impairment losses recorded in error on vehicle right of use assets in the prior year.
[3] Internal staff costs and consultancy, legal and due diligence fees to transformation activities and programme to rationalise the Group's legal entity footprint, plus legal costs associated with ongoing action in Germany arising from the discontinuance of the relationship with ITyX Solutions AG.
[4] Non-capitalised expenses incurred in relation to the ERP upgrade project which completed in July 2022.
[5] In August 2022 the Group concluded the sale of surplus IP addresses for proceeds net of selling costs.
[6] (Gain)/loss on divestiture relates to the change of go to market model for Alaris & Kodak Moments operations. The loss in 2023 is principally related to the recapture of translation reserves.
[7] This amount is included in cash flow statement in loss for the year and is dealt with in net cash flow from operating activities.
[8] Restructuring costs primarily relate to transformation activities.
[9] Includes $968 thousand of employee benefits costs (2022: $1,254 thousand).

Notes to the Consolidated Financial Statements
(continued)

Note 5: Auditor's remuneration

	Year ending 31 March 2023 $000	Year ending 31 March 2022 $000
Audit of these financial statements	**1,056**	1,218
Audit of the statutory financial statements of subsidiaries of the Company	**159**	597
Audit–related assurance services	**12**	17
Transfer pricing consultancy	**285**	-
Total Auditor's remuneration	**1,512**	1,832

Note 6: Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year, analysed by geography, was as follows:

	Number of Employees Year ending 31 March 2023	Number of Employees Year ending 31 March 2022
Country/Region		
United Kingdom	113	117
United States & Canada	820	772
Europe, Middle East & Africa	169	187
Asia-Pacific	250	293
Latin America	131	127
Total staff numbers per Country/Region	1,483	1,496
Business Unit		
Kodak Moments	532	478
Alaris	648	703
Shared	303	315
Total staff numbers per segment	1,483	1,496

The aggregate payroll costs of these persons were as follows:

	Year ending 31 March 2023 $000	Year ending 31 March 2022 $000
Wages and salaries	129,135	131,648
Social security costs	10,386	11,234
Contributions to defined contribution plans	4,749	5,071
Expenses related to defined benefit plans	969	923
Total staff costs	145,239	148,876

Government grants received during the year are $8 thousand. In 2022 the Group received various government grants of $295 thousand to support the cost of retaining employees during the COVID-19 pandemic. The cost of these employees was included above, net of the government grants.

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Note 7: Directors' remuneration

	Year ending 31 March 2023 $000	Year ending 31 March 2022 $000
Directors' emoluments	**929**	1,431
Amounts receivable under short term, variable pay schemes	**508**	876
Long-term incentive plan	**296**	66
Company contributions to defined contribution pension plans	**33**	87
Benefits in kind	**24**	18
Severance payments	**-**	710
Amounts paid to third parties in respect of directors' services	**292**	388
Total Directors' remuneration	**2,082**	3,576

The aggregate of emoluments of the highest paid director was $851 thousand (2022 $2,448 thousand) and Company pension contributions of $20 thousand (2022: $76 thousand) were made to a money purchase scheme on their behalf.

	Number of directors Year ending 31 March 2023	Number of directors Year ending 31 March 2022
Retirement benefits are accruing to the following number of directors under:		
Defined contribution pension schemes	**1**	2

Note 8: Finance income and expense

	Note	Year ending 31 March 2023 *$000*	Year ending 31 March 2022 $000
Financial income			
Interest income financial assets		**705**	323
Total financial income		**705**	323
Financial expenses			
Total interest expense on financial liabilities measured at amortised cost		**16,215**	11,821
Interest on lease liabilities	*25*	**786**	797
Interest expense on pension obligations	*21*	**370**	295
Foreign exchange loss		**6,076**	3,341
Total financial expenses		**23,447**	16,254

In the prior year $874 thousand of foreign exchange gains on non-financing items were included as part of finance income and expense. In the current reporting period $1,011 thousand of foreign exchange losses on non-financing items are reported as part of administrative expenses. Management has determined not to represent the prior year as the amounts were not significant.

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Note 9: Taxation

Recognised in the income statement

	Year ending 31 March 2023 $000	Year ending 31 March 2022 $000
Current tax expense		
Current period:		
United Kingdom	**242**	(213)
Foreign	**4,786**	7,604
Adjustments for prior year	**535**	1,058
Current tax expense	**5,563**	8,449
Deferred tax expense:		
Origination and reversal of temporary differences	**(6,522)**	(6,838)
Reduction in tax rate	**(3)**	5
Current year losses for which no deferred tax asset was recognised	**5,811**	6,973
Adjustments for prior year	**79**	(1,084)
Deferred tax benefit	**(635)**	(944)
Total income tax provision	**4,928**	7,505

Reconciliation of effective tax rate

	Year ending 31 March 2023 $000	Year ending 31 March 2022 $000
Loss for the year	**(32,596)**	(17,462)
Total income tax provision	**4,928**	7,505
Loss excluding taxation	**(27,668)**	(9,957)
Tax using the UK corporation tax rate of 19% (2022: 19%)	**(5,257)**	(1,892)
Effect of tax rates in foreign jurisdictions	**1,760**	(761)
Reduction in tax rate on deferred tax balances	**(3)**	5
Non-deductible expenses	**2,002**	3,206
Current year losses for which no deferred tax asset was recognised	**5,811**	6,973
Over provided in prior years	**615**	(26)
Total income tax provision	**4,928**	7,505

Income tax recognised in other comprehensive income

	Year ending 31 March 2023 $000	Year ending 31 March 2022 $000
Foreign exchange translation differences	**(38)**	38
Minimum pension liability	**(748)**	(129)
Total tax recognised in other comprehensive income	**(786)**	(91)

Current Income Tax Asset/Liability

	Year ending 31 March 2023 $000	Year ending 31 March 2022 $000
Current Asset	**32**	-
Current Liability	**(599)**	(974)

UK corporation tax rate increased from 19% to 25% with effect from 1 April 2023. There is no quantifiable impact from the rate change as deferred tax assets in the UK companies are currently only recognised to the extent they directly offset arising deferred tax liabilities.

The calculation of the Group's total tax charge involves consideration of applicable tax laws and regulations in multiple jurisdictions. From time to time, the Group is subject to tax audits and uncertainties in these jurisdictions. The issues involved can be complex and, where the interpretation of local tax law is not clear, management relies on judgement and accounting estimates to ensure all uncertain tax positions are adequately provided for in accordance with IFRIC 23 'Uncertainty over Income Tax Treatments', representing the Group's view of the most likely outcome, or, where multiple issues are considered likely to be settled together, the probability weighted amounts of the range of outcomes.

In Germany, agreement was reached with the tax authority at a meeting on 20 May 2022, on an appropriate settlement amount to conclude an ongoing tax audit in relation to financial years 2016 to 2018 and covering a range of issues. As such, the Group has provided for tax of $656 thousand in accordance with this agreement, and this amount was paid during the year. Furthermore, an additional amount of $242 thousand has been provided in respect of issues identified from the audit that may impact later years. Of the total tax provision, $242 thousand relates to tax on temporary differences (i.e. expected to reverse in future periods), and a corresponding adjustment has therefore

Notes to the Consolidated Financial Statements
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been made to deferred tax attributes. The audit was formally closed in Q2 FY 2023, following receipt of written confirmation of the settlement amount from the tax authorities and payment of all amounts due.

Factors that may affect the future tax charge

Many factors will affect the Group's future tax rate, the main ones being future legislative developments, future profitability of underlying subsidiaries and tax uncertainties.

Worldwide tax reform continues, and this could impact the Group over the longer term. The Group continues to monitor activity in this area.

Note 10: Adjusted earnings before interest, tax, depreciation and amortisation (adjusted EBITDA)

Management has presented adjusted EBITDA as its relevant income statement performance measure consistently over many years. The aim is to provide a measure of operating performance that represents the normalised level of performance, avoiding the distortions of one-off gains or losses. It represents the controllable performance of the business units and Group as a whole and is employed throughout the Group. It is used as part of the internal reporting metrics, along with several other income statement, working capital and cash performance measures, for the management team (KAEC), the Company's Board and shareholder reporting. It also forms the basis of employee incentive schemes ensuring alignment through the organisation from target setting to performance to incentives. Adjusted EBITDA is calculated by adjusting the loss for the year to exclude the impact of taxation, net finance costs, depreciation, amortisation, non-recurring items, impairment losses/reversals related to goodwill, intangible assets, property, plant and equipment and the re-measurement of disposal groups.

As an alternative performance measure Adjusted EBITA is not a complete representation of the Group's financial performance and should not be viewed in isolation. The exclusion of significant recurring transactions including impairments, restructuring charges and legal costs, that affect performance and cash flows has historically resulted in Adjusted EBITDA being significantly higher than reported losses. Whilst restructuring and legal costs associated with the prior year changes in the Group's go-to-market strategy have been excluded, the benefits from lower salaries and wages and compliance costs have not. Similarly, amortisation of intangibles is excluded while the revenues associated with them are not.

The Group's definition of adjusted EBITDA may not be comparable with similarly titled performance measures and disclosures by other entities.

	Note	**Year ending 31 March 2023 $000**	**Year ending 31 March 2022 $000**
Loss for the year after tax		(32,596)	(17,462)
Total income tax provision	*9*	4,928	7,505
Loss before tax		(27,668)	(9,957)
Adjusted for:			
Net finance costs	*8*	22,742	15,931
Foreign exchange gains/losses include in Administration expense		1,011	-
Loss on disposal of property, plant and equipment	*11*	1,096	972
(Gain)/loss on disposal of land and buildings		(17)	71
Depreciation	*11*	9,290	11,765
Amortisation	*12*	10,098	17,076
Impairment	*4*	8,225	14,199
Non-recurring items	*4*	825	1,094
Adjusted EBITDA		25,602	51,151

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Note 11: Property, plant and equipment

	Land and buildings $000	Plant and equipment $000	Rental equipment $000	Under construction $000	Total $000
Cost					
Balance at 1 April 2021	43,660	65,943	67,225	698	177,526
Acquisitions	1,731	2,505	10	7,335	11,581
Transfer from under construction	-	2,343	3,117	(5,551)	(91)
Disposals	(7,285)	(3,680)	(5,702)	20	(16,647)
Other movements	-	48	-	-	48
Effect of movements in foreign exchange	(61)	(8)	(2,976)	(27)	(3,072)
Balance at 31 March 2022	38,045	67,151	61,674	2,475	169,345
Balance at 1 April 2022	**38,045**	**67,151**	**61,674**	**2,475**	**169,345**
Reclassification – other	**-**	**103**	**(103)**	**-**	**-**
Acquisitions	**4,215**	**2,690**	**-**	**10,662**	**17,567**
Transfer from under construction	**-**	**4,719**	**6,005**	**(10,724)**	**-**
Disposals	**(1,779)**	**(6,824)**	**(5,658)**	**-**	**(14,261)**
Other movements	**-**	**102**	**-**	**-**	**102**
Effect of movements in foreign exchange	**(156)**	**(495)**	**(1,455)**	**20**	**(2,086)**
Balance at 31 March 2023	**40,325**	**67,446**	**60,463**	**2,433**	**170,667**
Depreciation and impairment					
Balance at 1 April 2021	(28,812)	(56,937)	(56,144)	-	(141,893)
Depreciation charge for the year	(3,706)	(3,853)	(4,206)	-	(11,765)
Depreciation on disposals	6,943	2,602	5,702	-	15,247
Impairment charges for the year	(4,360)	(4,708)	(27)	(616)	(9,711)
Effect of movements in foreign exchange	78	(46)	2,498	-	2,530
Balance at 31 March 2022	(29,857)	(62,942)	(52,177)	(616)	(145,592)
Balance at 1 April 2022	**(29,857)**	**(62,942)**	**(52,177)**	**(616)**	**(145,592)**
Depreciation charge for the year	**(2,141)**	**(2,976)**	**(4,173)**	**-**	**(9,290)**
Depreciation on disposals	**1,775**	**5,911**	**5,479**	**-**	**13,165**
Transfer from under construction	**-**	**(489)**	**(27)**	**612**	**96**
Impairment charge for the year[1]	**(2,708)**	**(2,343)**	**-**	**(729)**	**(5,780)**
Effect of movements in foreign exchange	**162**	**479**	**1,297**	**4**	**1,942**
Balance at 31 March 2023	**(32,769)**	**(62,360)**	**(49,601)**	**(729)**	**(145,459)**
Net book value at 31 March 2022	8,188	4,209	9,497	1,859	23,753
Net book value at 31 March 2023	**7,556**	**5,086**	**10,862**	**1,704**	**25,208**

Property plant and equipment under construction at 31 March 2023 totalled $1,704 thousand (2022: $1,859 thousand) and primarily relates to Alaris tooling, testing equipment, Kodak Moments rental equipment and manufacturing equipment. The amount of borrowing costs capitalised during the year was nil (2022: nil).

Included in plant and equipment are right-of-use assets related to facility and vehicle leases with a carrying value of $4,806 thousand (2022: $4,650 thousand) as well as capitalised spare parts used in the ongoing maintenance requirements of the Group.

Property improvements and plant and equipment assets with a cost of $4,207 thousand (2022: $9,703 thousand) and a carrying value of nil (2022:$253 thousand) were derecognised as they were no longer being used. Rental equipment at a cost of $5,658 thousand (2022: $5,702 thousand) with $177 thousand net book value (2022: nil) has been derecognized as they were no longer in service.

An impairment charge of $5,780 thousand, net of impairment reversals of $447 thousand (2022: $9,711 thousand) was recognised on property, plant and equipment assets in relation to the wider assessment of the recoverability of the Kodak Moments CGU (see note 12). Certain land and building assets and kiosk assets in EMEA were not impaired as they were individually recoverable based on fair value less cost to sell. The impairment charge was allocated as follows:

1 Includes the reversal of $447 thousand of impairment losses recorded in error on vehicle right of use assets in the prior year.

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Impairment Charges		Year ending 31 March 2023 $000		Year ending 31 March 2022 $000
Kodak Moments Business Unit				
Land and buildings				
Buildings	-		343	
Right of use assets - property	2,708	2,708	4,017	4,360
Machinery and equipment				
Machinery and equipment	2,452		3,967	
Right of use assets - equipment[1]	(109)	2,343	741	4,708
Rental equipment		-		27
Under construction				
Rental equipment	-		29	
Machinery and equipment	729	729	587	616
Total impairment charges		**5,780**		**9,711**

Note 12: Intangible assets

	Goodwill $000	Customer Relationships $000	Trademarks and Patents $000	Development costs $000	Software $000	Under construction $000	Total $000
Cost							
Balance at 1 April 2021	134,272	105,143	201,199	64,538	36,857	-	542,009
Additions	-	-	-	-	-	7,453	7,453
Transfers from under construction	-	-	-	4,075	91	(4,075)	91
Disposals	(806)	(2,184)	-	(9,073)	(28)	-	(12,091)
Effect of movements in foreign exchange	(2,392)	(1,782)	-	-	-	-	(4,174)
Balance at 31 March 2022	131,074	101,177	201,199	59,540	36,920	3,378	533,288
Balance at 1 April 2022	**131,074**	**101,177**	**201,199**	**59,540**	**36,920**	**3,378**	**533,288**
Additions	-	-	-	**(16)**	26	**4,493**	4,503
Acquisitions	-	**300**	-	-	-	-	300
Transfer from under construction	-	-	-	**3,936**	**2,315**	**(6,251)**	-
Disposals	-	**(502)**	-	-	**(23,862)**	-	**(24,364)**
Effect of movements in foreign exchange	**(2,884)**	**(2,391)**	-	-	-	-	**(5,275)**
Balance at 31 March 2023	**128,190**	**98,584**	**201,199**	**63,460**	**15,399**	**1,620**	**508,452**
Amortisation and impairment							
Balance at 1 April 2021	(116,047)	(87,159)	(188,929)	(49,067)	(36,608)	-	(477,810)
Amortisation for the year	-	(3,394)	(5,802)	(7,672)	(208)	-	(17,076)
Impairment for the year	(26)	(70)	-	(3,566)	(40)	(786)	(4,488)
Disposals	(555)	1,410	-	9,073	28	-	9,956
Effect of movements in foreign exchange	1,954	1,497	-	-	-	-	3,451
Balance at 31 March 2022	(114,674)	(87,716)	(194,731)	(51,232)	(36,828)	(786)	(485,967)
Balance at 1 April 2022	**(114,674)**	**(87,716)**	**(194,731)**	**(51,232)**	**(36,828)**	**(786)**	**(485,967)**
Amortisation for the year	-	**(1,720)**	**(2,095)**	**(5,773)**	**(510)**	-	**(10,098)**
Transfer from under construction	-	-	-	**(56)**	**(826)**	**786**	**(96)**
Impairment for the year	-	-	-	**(1,515)**	**(449)**	**(481)**	**(2,445)**
Disposals	-	**354**	-	-	**23,862**	-	**24,216**
Effect of movements in foreign exchange	**2,407**	**2,123**	-	-	-	-	**4,530**
Balance at 31 March 2023	**(112,267)**	**(86,959)**	**(196,826)**	**(58,576)**	**(14,751)**	**(481)**	**(469,860)**
Net book value at 31 March 2022	16,400	13,461	6,468	8,308	92	2,592	47,321
Net book value at 31 March 2023	**15,923**	**11,625**	**4,373**	**4,884**	**648**	**1,139**	**38,592**

Assets under construction at 31 March 2023 totalled $1,139 thousand (2022 $2,592 thousand) primarily Alaris scanner development costs.

1 Includes the reversal of $447 thousand of impairment losses recorded in error on vehicle right of use assets in the prior year. The gross impairment loss was $556 thousand.

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As a result of the disposal of the Alaris service business in Italy during the prior year, customer relationship assets with a carrying value of $148 thousand (2022: $2,135 thousand) were derecognised and included in the loss recorded on sale. Software assets related to the legacy ERP application with an acquisition value of $23,862 thousand and nil carrying value were derecognised after the implementation of the new Microsoft D365 ERP system. No development cost assets were derecognised during 2023 (2022: development costs with an acquisition cost of $9,073 thousand and nil carrying value were derecognised as they were no longer being used).

The average remaining useful life is between 5-6 years (68 months) for Customer Relationships, under 2 years (21 months) for Development costs, and 4 years (48 months) for Trademarks and Patents.

Amortisation of the intangible assets is included in administrative expenses.

Impairment overview

The Group reviews the recoverability of its CGU"s containing goodwill annually or when there are indicators of impairment.

The cash-generating-units (CGU's) of the Group are determined by management to be Alaris, Kodak Moments and Film. The cash inflows for Film are largely independent of the cash inflows for the rest of Kodak Moments, and it is therefore treated as a separate CGU.

The carrying value of goodwill at 31 March 2023 was $15,923 thousand (2022: $16,400 thousand) and is allocated entirely to Alaris. Goodwill that had been allocated to Kodak Moments is fully impaired. Goodwill was never allocated to Film.

An impairment charge of $8,672 thousand (2022: $14,199 thousand) was recognised in the year related to the assessment of long-lived intangibles with indicators of impairment, and the wider assessment of the recoverability of Kodak Moments CGU. As the Kodak Moments goodwill balance is nil, the impairment charge was allocated to intangible assets and property, plant and equipment. Of this amount, $2,445 thousand affected intangible assets (2022: $4,488 thousand) and $5,780 thousand affected property, plant, and equipment (2022: $9,711 thousand) as discussed in note 11. Certain Kodak Moments land and building assets and kiosk assets in EMEA were not impaired as they are individually supported by their fair value less costs to sell.

The following table summarises impairment charges by intangible asset category:

Impairment Charges	**Year ending 31 March 2023 $000**	**Year ending 31 March 2022 $000**
Alaris Business Unit		
Development costs (see (iii))	-	-
Goodwill (see (vi))	-	26
Total Alaris Business Unit Impairment Charges	-	26
Kodak Moments Business Unit		
Customer Relationships (see (ii))	-	70
Development costs (see (iii))	**1,515**	3,566
Under construction (see (iv))	**481**	786
Software (see (v))	**449**	40
Total Kodak Moments Business Unit Impairment Charges	**2,445**	4,462
Total Impairment Charges	**2,445**	4,488

i. Trademark and patents

At 31 March 2023 trademark assets associated with the Alaris, Kodak Moments and Film CGUs have a carrying value of nil. Patent assets have a carrying value of $4,373 thousand (2022: $6,468 thousand), all related to Alaris. The recoverability of these assets was considered through the wider assessment of the recoverability of the CGUs as reported in section vi and no impairment was required.

ii. Customer relationships

The carrying value of customer relationship assets are $11,625 thousand (2022: $13,461 thousand) and all related to Alaris. Customer relationship assets are assessed for recoverability when there are indicators of impairment. Industry wide component shortages, inflationary pressures and higher interest rates impacted profitability during the year and indicated a potential impairment of the customer relationship assets. The recoverability of these assets was considered through the wider assessment of the recoverability of the CGUs as reported in section vi and no impairment was required.

iii. Development costs

The carrying value of capitalized development costs after impairment charges for Alaris and Kodak Moments, are $4,884 thousand and nil respectively (2022: $8,308 thousand and nil). Development costs are assessed for recoverability when there are indicators of impairment. Component shortages, increased manufacturing costs, high inflation, increasing interest rates, and currency headwinds indicated a potential

Notes to the Consolidated Financial Statements
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impairment for both Alaris and Kodak Moments development costs. The recoverability of the assets was assessed and an impairment charge of $1,515 thousand (2022: $3,566 thousand) was recorded for Kodak Moments. Alaris capitalised development cost assets were determined to be fully recoverable, and no impairments were required.

iv. Under construction

The carrying value of in-process development costs after impairment charges for Alaris and Kodak Moments, are $1,139 thousand and nil respectively (2022: $2,592 thousand and nil). The recoverability of Kodak Moments and Alaris in-process development costs was reviewed as part of the annual assessment of intangible assets not yet available for use. No impairment losses were recorded as part of that assessment (2022: $2,531 thousand) but an impairment loss of $481 thousand (2022: $786 thousand) was recorded for Kodak Moments as part of the wider assessment of the recoverability of the CGU's.

v. Software

The carrying value of software development costs after impairment, and principally comprised of capitalised ERP development costs are $648 thousand (2022: $92 thousand). The recoverability of the software development costs was reviewed as part of the wider assessment of the recoverability of the CGUs and an impairment loss of $449 thousand was recorded (2022: $40 thousand) representing the portion of the ERP asset allocated to the Kodak Moments CGU.

vi. Impairment testing for CGUs containing goodwill

The Group tests cash-generating units with goodwill annually for impairment, or when there is an indication that a cash-generating unit to which goodwill has been allocated may be impaired. Goodwill was tested for impairment at 31 March 2023. The Group has three CGUs and goodwill is monitored at the CGU level. The carrying value of goodwill is $15,923 thousand (2022: $16,400 thousand) and associated with the Alaris CGU in its entirety. Goodwill that was allocated to Kodak Moments is fully impaired. Goodwill was never allocated to Film.

Whilst Kodak Moments has no goodwill, the impact of currency headwinds, high inflation, increasing interest rates, supply chain disruptions, component cost increases, and higher manufacturing costs create a risk that the recoverable amounts for Kodak Moments would be less than the carrying values of the underlying assets, necessitating a review.

The recoverable amounts have been estimated based on the higher of fair value less cost of disposal, where a reasonable estimate fair value could be determined, or value in use.

Alaris

The Alaris business contended with significant component price increases and global supply chain constraints, which limited its ability to supply a full line of scanners. This was largely resolved by the end of fiscal 2023. The outlook used in the impairment assessment reflects an expectation of full component supply, expectations for the rate of decline in the overall scanner market and Alaris' share of that market, and the continuing near-term impact of cost inflation. Fair value less cost of disposal was used to determine the recoverable value for Alaris as it was higher than value in use. Fair value was estimated using forecast EBITDA net of corporate cost allocations and valuation multiples provided by third party valuation specialists that considered historic and long-term growth rates, underlying industry dynamics, the margin profile and the lifecycle of the products and services being offered by the Alaris BU. For As a conservative measure, forecast EBITDA was factored down to reflect potential risk in the outlook for fiscal 2024.

The fair value of the Alaris CGU using the low end in the range of valuation multiples and after considering costs of disposal, exceeded the carrying value by $12,700 thousand and no impairment loss was recognised (2022: a $26 thousand goodwill impairment charge was recognised to correct the closing accumulated impairment balance).

Various scenarios were considered to confirm the sensitivity of the fair value estimate to changes in EBITDA. Key assumptions underlying the EBITDA forecast include scanner market growth, market share assumptions and resolution of the component supply constraints experienced in the previous year. The valuation multiple was also tested to determine the point at which the fair value lest cost to sell equalled the carrying value

- Management evaluated a scenario isolating the effect on fiscal 2024 EBITDA assuming where the PC market declined by 4.5% from fiscal 2022 to fiscal 2026 and the DC market declined by 1%. Forecast EBITDA decreased $800 thousand but the fair value less cost of disposal still exceeded the carrying value.

- Management evaluated a second scenario where there was no growth in DC market share from 2022. Forecast EBITDA decreased $1,300 thousand but the fair value less cost of disposal exceeded the carrying value.

- Management evaluated a final scenario where the impact of component shortages continued into fiscal 2024.This was modelled by keeping DC revenues constant with 2023. Forecast EBITDA decreased $2,000 thousand but the fair value less cost of disposal exceeded the carrying value.

- The valuation multiples would need to be reduced by a third for the fair value less cost of disposal to equal the carrying value, well below the normal range of valuation multiples for the business.

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Kodak Moments

The Kodak Moments business successfully renewed long term supply agreements with three key retail customers confirming retail photo services revenue into the future. The business saw modest growth in revenue in fiscal 2023 despite significant currency headwinds and supply chain disruptions.

It is not practical to obtain reasonable fair value estimates for Kodak Moments without including Film. The recoverable value was estimated based on value-in-use, which was determined by discounting the future cash flows generated from the continuing use of the CGU as represented in the board approved three-year plan.

The carrying value of the Kodak Moments CGU exceeded the recoverable value and an impairment loss of $8,672 thousand was recognised (2022: $11,642 thousand)). This amount excludes certain assets which were individually supported by their fair value les costs to sell.

The key assumptions used in the estimation of the value in use were as follows:

Kodak Moments CGU Impairment Test	Year ending 31 March 2023	Year ending 31 March 2022
Discount rate	**14.0%**	12.0%
Terminal value growth rate	**0.0%**	0.0%
Average EBITDA growth rate over three years	**51.3%**	13.4%

The discount rate is a pre-tax measure estimated based on the weighted average cost of capital for similar businesses and adjusted for country risk, company size risk, and the risk inherent in the business and its ability to achieve the estimates.

Three years of cash flows (2022: five years) plus a terminal value were included in the discounted cash flow model, with modest revenue growth, improving margins, and decreased R&D and administration costs yielding relatively low EBIDTA values. After considering corporate cost allocations, working capital investments, and sustaining capital requirements, cash flows are negative.

BU EBITDA in the first year of the three-year plan, increased 57.6% reflecting modestly improved margins and reduced R&D and SGA spend. In fiscal 2023 the business made significant investments in R&D and SGA to refine its digital commerce strategy. These investments continue into fiscal 2024 and beyond, but on a smaller scale.

Since cash flows are negative management did not consider additional scenarios to test the sensitivity of the recoverable value estimate to changes in key assumptions.

Using a fair value less cost to sell based on an EBITDA multiple was not deemed appropriate for Kodak Moments.

Film

Whilst there were no indicators of impairment the recoverable value for Film was estimated based on value in use. The continuing resurgence of interest in film photography improved Film results. Revenues are only constrained by the ability to supply. Management has incorporated expectations for future growth and profitability in the outlook used in the impairment assessment. The recoverable value for Film exceeded the carrying value.

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Note 13: Investments in equity accounted investees

Investments in associates	Country of incorporation	Class of shares held	Ownership %	31 March 2023 $000	31 March 2022 $000
ITyX Technology GmbH[1]	Germany	Ordinary	25.1%	**17,860**	17,860
Provision				**(17,860)**	(17,860)
Total investments in associates				-	-

	31 March 2023 $000	31 March 2022 $000
Balance at beginning of the year	-	224
Reclassification to other investments	-	(213)
Effect of movements in foreign exchange	-	(11)
Balance at the end of the year	-	-

In the prior year, the shareholding in Immobiliare Aquileja S.r.l. (formerly Fotomarket) was reclassified as a non-listed equity investment. The 20.9% investment was sold to the majority shareholder on 13 April 2022 for consideration of $213 thousand. There has been no change in the percent ownership of the ITyX investment held in the year. The results of associated undertakings are not material to the Group and hence have not been included in the Group's financial statements.

1 ITyX Technology GmbH: Stollwerckstraße 17-19 51149 Köln. Nature of relationship – associate. In 2015, we discontinued our relationship with ITyX Technology GmbH, the software platform for our AI Foundry business and the investment was fully provided for. The discontinuation of the relationship was subject to legal proceedings and details are provided in note 27.

Notes to the Consolidated Financial Statements
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Note 14: Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets 31 March 2023 $000	Liabilities 31 March 2023 $000	Assets 31 March 2022 $000	Liabilities 31 March 2022 $000
Property, plant and equipment	**380**	**(28)**	337	(4)
Intangible assets	**1,988**	**(1,460)**	1,839	(1,466)
Inventories	**657**	**(1)**	396	(57)
Financial assets	**-**	**(2)**	-	(2)
Employee benefits	**3,883**	**(1)**	4,628	(1)
Provisions	**1,826**	**(38)**	844	(1)
Other	**746**	**(132)**	1,900	(265)
Total Tax	**9,480**	**(1,662)**	9,944	(1,796)
Net Tax asset		**7,818**		8,148

Movement in deferred tax during the year:

	1 April 2022 $000	Recognised in income $000	Recognised in equity $000	Foreign exchange impact $000	31 March 2023 $000
Property, plant, and equipment	333	27	-	(8)	**352**
Intangible assets	373	166	-	(11)	**528**
Inventories	339	332	-	(15)	**656**
Financial assets	(2)	-	-	-	**(2)**
Employee benefits	4,627	130	(748)	(127)	**3,882**
Provisions	843	989	-	(44)	**1,788**
Other	1,635	(1,009)	-	(12)	**614**
Movement in deferred tax	8,148	635	(748)	(217)	**7,818**

	1 April 2021 $000	Recognised in income $000	Recognised in equity $000	Foreign exchange impact $000	31 March 2022 $000
Property, plant, and equipment	114	231	-	(12)	**333**
Intangible assets	78	310	-	(15)	**373**
Inventories	72	279	-	(12)	**339**
Financial assets	3	(5)	-	-	**(2)**
Employee benefits	4,796	134	(129)	(174)	**4,627**
Provisions	384	493	-	(34)	**843**
Tax value loss carry forward utilised	834	(834)	-	-	**-**
Other	1,359	336	-	(60)	**1,635**
Movement in deferred tax	7,640	944	(129)	(307)	**8,148**

The Group has not recognised deferred tax assets in respect of various deductible temporary differences, tax losses and tax credits, particularly in relation to its US and UK operations. The Group does not recognise deferred tax assets if it cannot anticipate being able to offset them against existing deferred tax liabilities or against future profits or gains.

Notes to the Consolidated Financial Statements
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The total unrecognised deferred tax position is as follows:

	Gross		Unrecognised deferred tax	
	31 March 2023 $000	**31 March 2022 $000**	**31 March 2023 $000**	**31 March 2022 $000**
Tax losses	**458,261**	470,423	**112,977**	116,091
Tax credits	**3,492**	3,414	**3,492**	3,414
Other temporary differences	**546,247**	275,964	**71,242**	69,138
Total	**1,008,000**	749,801	**187,711**	188,643

Of the total $187,711 thousand in unrecognised assets (2022: $188,643 thousand) approximately $115,917 thousand relate to US operations (2022: $108,906), $71,794 thousand relate to UK operations (2022: $79,214 thousand) and none related to Chinese operations (2022: $523 thousand).

The ownership change from KPP2 to The Board of the Pension Protection Fund in FY 2021 caused a limitation in the US entity's ability to utilise loss carry forwards. The annual limitation for losses incurred prior to the ownership change is $96 thousand (tax effected). The total tax effected losses are comprised of the following: $1,629 thousand subject to the limitation with expiry dates, $43,210 thousand subject to the limitation with no expiry dates, and $19,676 not subject to the limitation with no expiry dates. As stated above, no deferred tax asset is currently being recognised on these US losses.

There are no expiry dates applying to any other unrecognised deferred tax assets.

Note 15: Inventories

	31 March 2023 $000	31 March 2022 $000
Raw materials and consumables	**8,212**	7,135
Work in progress	**5,170**	4,486
Finished goods	**61,499**	45,367
Total inventories	**74,881**	56,988

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the period amounted to $203,000 thousand (2022: $205,000 thousand). The write-down of inventories to net realisable value amounted to $9,000 thousand both years. There were no reversals of write-downs during the period (2022: $nil).

Note 16: Other Investments

Current Investments	Country of incorporation	Class of shares held	Ownership %	31 March 2023 $000	31 March 2022 $000
Immobiliare Aquileja S.r.l. (formerly Fotomarket)	Italy	Ordinary	20.9%	-	213
Total current investments				-	213

The shareholding in Immobiliare Aquileja S.r.l. (formerly Fotomarket) was reclassified from an investment in an associate to a non-listed equity investment in the prior year. The sale of this investment to the majority shareholder completed on 13 April 2022 for consideration of $213 thousand.

Notes to the Consolidated Financial Statements
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Note 17: Trade and other receivables

	31 March 2023 $000	31 March 2022 $000
Trade receivables	65,250	63,607
Other receivables	8,699	4,982
Unbilled revenue	1,947	1,257
Prepayments	4,832	6,459
Total trade and other receivables	80,728	76,305
Non-current	908	1,805
Current	79,820	74,500
Total trade and other receivables	80,728	76,305

There were no material amounts pledged as collateral for the year (2022: nil).

The average credit period on sales of goods is 47 days (2022: 47 days). The average credit period at 31 March 2023 excludes amounts accrued for rebate balances which have not been agreed with customers.

The Group applies a simplified approach to measure the loss allowance for trade receivables classified at amortised cost, using the lifetime expected loss provision. The expected credit loss on trade receivables is estimated using a provision matrix by reference to past default experience and credit rating, adjusted as appropriate for current observable data. The loss allowance at 31 March 2023 was $890 thousand (2022: $493 thousand). See note 24.

Note 18: Cash and cash equivalents

	31 March 2023 $000	31 March 2022 $000
Cash and cash equivalents	**42,964**	71,217

Cash and cash equivalents that are restricted as to withdrawal or use under the terms of certain contractual agreements are nil for the year (2022: $212 thousand).

Notes to the Consolidated Financial Statements
(continued)

Note 19: Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate and foreign currency risk, see note 24.

	31 March 2023 $000	31 March 2022 $000
Tranche B Loan Notes	**158,061**	144,265
Interest payable	**1,669**	970
Other borrowings	**-**	501
Lease liabilities (note 25)	**12,278**	11,536
Non-current liabilities	**172,008**	157,272
Other borrowings	**503**	507
Lease liabilities (note 25)	**4,946**	5,131
Current liabilities	**5,449**	5,638

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Fair value 31 March 2023 $000	Carrying amount 31 March 2023 $000	Fair value 31 March 2022 $000	Carrying amount 31 March 2022 $000
Tranche B Loan Notes	USD	LIBOR + 7%	2028	**159,730**	**159,730**	145,235	145,235
Lease liabilities	USD	1% - 12.7%	2023-2031	**17,224**	**17,224**	16,667	16,667
Assumed loan notes	USD	2%	2023	**503**	**503**	1,008	1,008
Senior credit facility	USD	Base + 4.5%	2026	**-**	**-**	-	-
				177,457	**177,457**	162,910	162,910

The $100 million Tranche B Loan Notes are secured on certain assets of the Group. Interest is satisfied by means of a transfer of new notes to the loan note holder, the notes mature on 31 August 2028.

Any drawings under the Senior Credit Facility of up to $50 million are secured on certain assets of the Group and borrowing is limited based on a formula of available obligor collateral and the previous 12 month's EBITDA. The facility is provided on a committed basis. It is available until 29 September 2026 and was undrawn as at 31 March 2023.

Note 20: Trade and other payables

	31 March 2023 $000	31 March 2022 $000
Trade payables	**43,662**	34,978
Deferred revenue	**38,215**	38,772
Sales tax	**2,768**	3,411
Payroll and other tax	**239**	1,798
Other non-trade payables and accrued expense	**23,095**	26,627
Current	**107,979**	105,586
Other payables	**1,305**	654
Deferred revenue	**12,984**	15,607
Non-current	**14,289**	16,261

Trade payables are non-interest bearing and are normally settled on 51-day terms (2022: 52-day terms). The disclosure of trade and other payables has changed compared to the prior year to provide detail on sales tax and other statutory obligations formerly reported as part of non-trade payables and accrued expenses. The most significant component of Other non-trade payables and accrued expense are employee benefit costs.

Notes to the Consolidated Financial Statements
(continued)

Note 21: Employee benefits

Pension Plans

The Group sponsors various pension schemes in accordance with local regulations and practices. Eligibility for participation in the various plans is either based on completion of a specified period of continuous service, or date of hire. The plans generally are financed by employee and employer contributions. Among these schemes are defined contribution plans as well as defined benefit plans.

Defined contribution plans
The Group's contributions under these plans amounted to $4,749 thousand (2022: $5,071 thousand) during the year.

Defined benefit plans
The Group operates defined benefit plans in various countries, the main locations being Germany, the Netherlands, France, and Mexico. Approximately 68% of the total net defined benefit liability accrued to date relates to the defined benefit plans in Germany, which for the most part are pension plans that provide benefits to members in the form of a guaranteed level of pension payable for life.

Most benefit payments are from funded arrangements; however, there are also several unfunded plans where the Group meets the benefit payments as they come due. Plan assets held in funded arrangements are governed by local regulations and practices in each country and are generally held at third-party insurers. The movement in the defined benefit obligation and fair value of plan assets over the prior and current years is as follows:

	Present value of defined benefit obligation 31 March 2023 $000	Fair value of plan assets 31 March 2023 $000	Net balance sheet position 31 March 2023 $000
Amounts recognised at 1 April 2022	(47,270)	31,820	**(15,450)**
IAS 19 Cost			
Current service cost	(968)	-	**(968)**
Past service cost – curtailments	-	-	-
Cost of termination benefits	-	-	-
Administration expense	(1)	-	**(1)**
Settlements	-	-	-
Interest (expense)/income	(893)	523	**(370)**
(Expense)/Benefit Recognised in Income Statement	(1,862)	523	**(1,339)**
Actuarial gains/(losses)			
Return on plan assets, excluding interest expense	-	(6,566)	**(6,566)**
Gain from change in demographic assumptions	(33)	-	**(33)**
Gain from change in financial assumptions	9,759	-	**9,759**
Gain from actuarial experience	(379)	-	**(379)**
Actuarial gains/(losses) recognised in consolidated statement of other comprehensive income	9,347	(6,566)	**2,781**
Cash flow			
Employer contributions	-	1,120	**1,120**
Employee contributions	(2)	2	-
Benefits paid directly by the Company	305	(305)	-
Benefits paid from plan assets	1,294	(1,294)	-
Net cash inflow/(outflow)	1,597	(477)	**1,120**
Other			
Exchange differences	1,392	(1,071)	**321**
Total other	1,392	(1,071)	**321**
Amounts recognised at 31 March 2023	**(36,796)**	**24,229**	**(12,567)**

Notes to the Consolidated Financial Statements
(continued)

	Present value of defined benefit obligation 31 March 2022 $000	Fair value of plan assets 31 March 2022 $000	Net balance sheet position 31 March 2022 $000
Amounts recognised at 1 April 2021	(57,379)	39,194	(18,185)
IAS 19 Cost			
Current service cost	(1,247)	-	(1,247)
Past service cost – curtailments	335	-	335
Cost of termination benefits	-	-	-
Administration expense	(11)	-	(11)
Settlements	3,176	(2,103)	1,073
Interest (expense)/income	(728)	433	(295)
(Expense)/Benefit Recognised in Income Statement	1,525	(1,670)	(145)
Actuarial gains/(losses)			
Return on plan assets, excluding interest expense	-	(4,055)	(4,055)
Loss from change in demographic assumptions	4	-	4
Gain from change in financial assumptions	4,154	-	4,154
Gain from actuarial experience	1,062	-	1,062
Actuarial gains/(losses) recognised in consolidated statement of other comprehensive income	5,220	(4,055)	1,165
Cash flow			
Employer contributions	-	1,076	1,076
Employee contributions	(57)	57	-
Benefits paid directly by the Company	213	(213)	-
Benefits paid from plan assets	1,038	(1,038)	-
Net cash inflow/(outflow)	1,194	(118)	1,076
Other			
Exchange differences	2,170	(1,531)	639
Total other	2,170	(1,531))	639
Amounts recognised at 31 March 2022	**(47,270)**	**31,820**	**(15,450)**

Settlements include a $1,587 thousand (2022: $1,073 thousand) reduction in the net defined benefit liability related to the divestiture of the plans in India, Italy and Netherlands as a result of changes to the go to market model for the Alaris and Kodak Moments operations as well as resultant restructuring activities in Germany and France.

Details of the plans for both the balance sheet and the weighted average duration of the defined benefit obligation as at 31 March 2023 and 31 March 2022 are shown below:

	31 March 2023 $000	31 March 2022 $000
Present value of defined benefit obligation	**(36,796)**	(47,270)
of which: amounts owing to active members	**(18,092)**	(26,360)
of which: amounts owing to not active members	**(4,885)**	(6,816)
of which: amounts owing to pensioners	**(13,819)**	(14,094)
Fair value of plan assets	**24,229**	31,820
Net defined benefit liability	**(12,567)**	(15,450)
Weighted average duration of defined benefit obligation	14 Years	17 Years

Notes to the Consolidated Financial Statements
(continued)

Disaggregation of fair value plan assets by class are shown below:

Plan Assets	Quoted 31 March 2023 $000	Other 31 March 2023 $000	Total 31 March 2023 $000
Insurance contracts	-	24,229	**24,229**
Total	-	24,229	**24,229**

The principal assumption used at the year-end was the discount rate. The weighted-average discount rate used at 31 March 2023 was 4.0% (2022: 2.0%).

Other significant assumptions include the rate of future salary increases and the rate of future pension increases. The weighted-average salary increase assumption at the period-end was 2.8% (2022: 2.5%). The weighted-average future pension increase assumption was 2.1% (2022: 1.9%).

Mortality assumptions are based on the latest available standard mortality tables for the individual countries concerned. For example, in Germany, the life expectancy for a male aged 65 at the balance sheet date is 20.5 years and 24.0 years for a female, while the life expectancy at age 65 for a male aged 50 at the balance sheet date is 22.6 years and 25.7 years for a female.

The expense recognised in income for the year was $1,339 thousand (2022: $145 thousand) relating primarily to current service costs of $968 thousand, with the remainder relating to interest expense of $370 thousand, and administration costs of $1 thousand.

The net defined benefit liability decreased by $2,883 thousand (2022: $2,735 thousand). This is primarily due to higher discount rates in several countries, which decreased liabilities substantially, experience gains, and currency gains. These were offset by asset losses due to the remeasurement of the annuity contracts at an increased discount rate.

The fair value of plan assets does not include any amounts relating to the Group's own financial instruments or any of the property occupied by, or other assets used by the Group.

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below.

Change in bond yields: A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's insurance holdings.

Life expectancy: Some of the plans obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans liability.

Salary increases: Some of the plans benefit obligations related to active members are linked to their salaries. Higher salary increases will therefore tend to lead to higher plan liabilities.

Investment risk is managed through the use of third-party insurance contracts as funding vehicles.

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table shows the sensitivity of the defined benefit obligation to changes in each significant assumption:

	Increase/(decrease) in defined benefit obligation ($000)
Discount rate – Increase by 100 basis points	(4,695)
Rate of salary increase – Increase by 100 basis points	1,394
Rate of pension increase – Increase by 100 basis points	4,391

Funding

Contributions to the defined benefit plans are generally made in accordance with the relevant insurance tariffs and are intended to meet or exceed minimum funding requirements based on local statutory and contractual requirements and associated taxation rules. The Group expects to contribute $954 thousand (2022: $737 thousand) to the defined benefit plans, including benefit payments to participants in unfunded plans, during the next financial year.

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(continued)

Note 22: Provisions

	Warranties $000	Restructuring $000	Asset Retirement Obligations $000	Self-Funded Medical Claims $000	Other $000	Total $000
Balance at 1 April 2021	759	483	4,807	-	32	6,081
Provisions made during the period	1,685	4,024	198	4,057	598	10,562
Provisions used during the period	(1,654)	(2,436)	(828)	(3,355)	(28)	(8,301)
Provisions reversed during the period	(203)	(45)	-	-	(4)	(252)
Effect of movement in foreign exchange	17	(138)	(80)	-	(6)	(207)
Balance at 31 March 2022	604	1,888	4,097	702	592	7,883
Non-current	-	-	4,097	-	-	4,097
Current	604	1,888	-	702	592	3,786
Total provisions at 31 March 2022	604	1,888	4,097	702	592	7,883
Balance at 1 April 2022	**604**	**1,888**	**4,097**	**702**	**592**	**7,883**
Provisions made during the year	**703**	**1,072**	**613**	**7,875**	**387**	**10,650**
Provisions used during the year	**(821)**	**(2,150)**	**(36)**	**(7,834)**	**(404)**	**(11,245)**
Provisions reversed during the year	**(60)**	**(45)**	**(17)**	**-**	**-**	**(122)**
Effect of movement in foreign exchange	**(38)**	**(38)**	**(70)**	**-**	**(27)**	**(173)**
Balance at 31 March 2023	**388**	**727**	**4,587**	**743**	**548**	**6,993**
Non-current	**-**	**-**	**4,587**	**-**	**77**	**4,664**
Current	**388**	**727**	**-**	**743**	**471**	**2,329**
Total provisions at 31 March 2023	**388**	**727**	**4,587**	**743**	**548**	**6,993**

Warranties

The Group provides warranties in connection with equipment sold and generally these cover a period of up to one year.

Restructuring

Provisions for restructuring include severance costs and non-cancellable raw materials costs for discontinued product lines which are expected to be utilised within a year. The provision is based on those restructuring actions which have been approved and communicated as of 31 March 2023.

Asset Retirement Obligations

Provisions for asset retirement obligations includes the cost of remediating asbestos contained in buildings the Group owns or leases as right-of-use assets, as well as the cost of removing and disposing of equipment loaned to customers. Provisions for asbestos remediation costs are estimates of future remediation costs based on current rates and assumed settlement dates which are not known with certainty as of the balance sheet date. The majority of the provision for removing and disposing of loaned equipment can be expected to be utilised in three to five years.

Self-funded Medical Claims

The provision for Self-funded medical claims includes estimates for settling healthcare and prescription cost claims for US employees participating in the self-funded medical insurance plan. Utilisation is expected to occur within a year.

Other

Other provisions include $314 thousand in relation to discontinued product lines at the Alaris facility in China. In the prior year other provisions included $592 thousand in relation to on-going tax audit activities.

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(continued)

Note 23: Capital and reserves

Share capital	**31 March 2023 000**	**31 March 2023 $000**	**31 March 2022 000**	**31 March 2022 $000**
Authorised & issued for cash ordinary shares of $1.00 each	167,000	167,000	167,000	167,000

Other equity	**Capital contribution reserve $000**	**Translation reserve $000**	**Retained deficit $000**	**Total other equity $000**
1 April 2021	573,348	(1,224)	(747,110)	(174,986)
Loss for the year	-	-	(17,462)	(17,462)
Items that will not be recycled to profit or loss:				
Re-measurements of defined benefit liability	-	-	1,165	1,165
Deferred tax on other comprehensive loss for the year	-	-	(129)	(129)
Items that are or may be recycled to profit or loss:				
Foreign currency translation differences – foreign operations, net	-	(707)	-	(707)
Total other equity as at 31 March 2022	573,348	(1,931)	(763,536)	(192,119)
1 April 2022	573,348	(1,931)	(763,536)	(192,119)
Loss for the year	-	-	(32,596)	(32,596)
Items that will not be recycled to profit or loss:				
Re-measurements of defined benefit liability	-	-	2,781	2,781
Deferred tax on other comprehensive loss for the year	-	-	(748)	(748)
Items that are or may be recycled to profit or loss:				
Foreign currency translation differences – foreign operations, net	-	6,021	-	6,021
Total other equity as at 31 March 2023	**573,348**	**4,090**	**(794,099)**	**(216,661)**

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. The capital contribution reserve is distributable.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

Dividends

No dividends were recognised during the year and no dividends were proposed by the directors after the balance sheet date (2022: nil).

Notes to the Consolidated Financial Statements
(continued)

Note 24: Financial Instruments

(a) Fair values of financial instruments

For financial instruments not held at fair value, the carrying value is deemed to be a reasonable approximation of fair value.

Except as outlined below, there are no significant derivative financial instruments at 31 March 2023 or 31 March 2022.

No financial instruments are carried at fair value under level 1 or level 3 of the hierarchy table.

	Level	Carrying amount 31 March 2023 $000	Fair value 31 March 2023 $000	Carrying amount 31 March 2022 $000	Fair value 31 March 2022 $000
Financial liabilities measured at amortised cost					
Tranche B CISX Listed Variable Rate Loan Notes US$ 6-month LIBOR+7% Maturity 2028	2	**158,061**	**158,061**	144,265	144,265
Interest payable	2	**1,669**	**1,669**	970	970
Assumed loan notes 2% Maturity 2023	2	**503**	**503**	1,008	1,008
Lease liabilities 1.4% - 12.8% Maturity 2020-2028	2	**17,224**	**17,224**	16,667	16,667

(b) Credit risk

Financial risk management

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investments held with financial institutions.

At the balance sheet date there were concentrations of credit risk exposure to retail customers in the Kodak Moments business. This is driven by the seasonality of sales. Management is confident about the recoverability of these balances with the majority of amounts outstanding at 31 March 2023 having been collected post year-end.

The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Deposits are only made with pre-approved counterparties. Credit evaluations are performed on all customers requiring credit.

Exposure to credit risk

The maximum exposure to credit risk at the balance sheet date by class of financial instrument was as follows:

	31 March 2023 $000	31 March 2022 $000
Cash and cash equivalents	**42,964**	71,217
Trade receivables	**65,250**	63,607
Other receivables	**8,699**	4,982

The concentration of credit risk for trade receivables at the balance sheet date by geographic region was as follows:

	31 March 2023 $000	31 March 2022 $000
US and Canada	**24,645**	22,042
Europe, Middle East and Africa	**26,419**	26,578
Asia Pacific	**9,909**	10,929
Latin America	**4,277**	4,058
	65,250	63,607

Impairment of financial assets

The Group has the following types of financial assets that are subject to the expected credit loss model:

- Trade receivables for sales of products, equipment, software, services and integrated solutions

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, no impairment losses have been identified or recognised.

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Credit quality of financial assets and impairment losses

The aging of trade receivables at the balance sheet date was:

	Gross 31 March 2023 $000	Impairment 31 March 2023 $000	Gross 31 March 2022 $000	Impairment 31 March 2022 $000
Current	**59,271**	**(221)**	58,445	(113)
Past due 1-30 days	**4,634**	**(21)**	3,752	(11)
Past due 31-60 days	**1,275**	**(81)**	1,197	(29)
Past due 61-90 days	**276**	**(51)**	372	(35)
More than 90 days	**684**	**(516)**	334	(305)
	66,140	**(890)**	64,100	(493)

The historical expected loss rates are adjusted to reflect current and forward-looking information on factors affecting the ability of the customers to settle the receivables. The Group has identified factors in the countries in which it sells its goods and services to be the most relevant, and accordingly adjusts the historical loss rates based on expected changes in these factors.

	Current $000	Past due 1-30 days $000	Past due 31-60 days $000	Past due 61-90 days $000	More than 90 days $000	Total $000
Year ended 31 March 2023						
Expected credit loss rate (default rate)	0.37%	0.46%	6.38%	18.49%	75.52%	
Carrying value of trade receivables	59,271	4,634	1,275	276	684	66,140
Expected credit loss	(221)	(21)	(81)	(51)	(516)	(890)
Net carrying value of trade receivables	**59,050**	**4,613**	**1,194**	**225**	**168**	**65,250**

The impairment provision for trade receivables as at 31 March 2023 reconciles to the opening provision as follows:

	31 March 2023 $000
31 March 2022	(493)
Decrease in provision recognised in profit or loss during the year	(540)
Unused amount reversed	150
Effect of movements in foreign exchange	(7)
At 31 March 2023	**(890)**

(c) Liquidity risk

Financial risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group's policy on funding is to ensure that it has access to liquidity and has appropriate funding structures in place so that there is always sufficient long-term funding and short-term facilities in place to meet foreseeable peak borrowing requirements.

On 29 September 2020, the Group entered into a three-year lending facility (the "facility") with its previous shareholder KPP2. The lender's rights and obligations under this facility were subsequently transferred to The Board of the Pension Protection Fund at the date of the change in ownership in November 2020. In July 2022 the term of the facility was extended by a further two years. This made available up to $50 million of borrowing capacity until September 2025. In July 2023, in accordance with the terms of the agreement, the facility was extended for a further 12 months to September 2026.

The facility is provided on a committed basis and is available subject to certain financial covenants, namely an asset cover ratio, a leverage ratio and an interest cover ratio. As at 31 March 2023, management believes all financial covenants have been met and therefore that the facility is fully available to draw.

The amount of the facility available for drawing also varies depending upon the available collateral and the previous 12 months' EBITDA. At 31 March 2023, drawings would have been limited to $38.4 million. We expect available collateral to fluctuate according to the seasonality of the business such that the full amount of the facility is available at peak times.

Notes to the Consolidated Financial Statements
(continued)

As of 31 March 2023, the facility was undrawn (2022: nil). Interest is charged at a floating rate based on the Bank of England's Base Rate plus a variable margin.

The Board believes the facility provides sufficient liquidity to meet the requirements of the Group's subsidiaries.

	Carrying amount $000	Contractual cash flows $000	1 year or less $000	1 to 2 years $000	2 to > 5 years $000	5 years and over $000
31 March 2023						
Tranche B Loan Notes	**158,061**	**307,214**	**-**	**-**	**-**	**307,214**
Interest payable (long-term)	**1,669**	**1,669**	**-**	**-**	**-**	**1,669**
Assumed loan notes	**503**	**503**	**503**	**-**	**-**	**-**
Trade payables	**43,662**	**43,662**	**43,662**	**-**	**-**	**-**
Non-trade payables and accrued expense	**27,407**	**27,407**	**26,102**	**1,305**	**-**	**-**
Lease liabilities	**17,224**	**19,593**	**5,122**	**3,915**	**8,627**	**1,929**
31 March 2022						
Tranche B Loan Notes	144,265	239,086	-	-	-	239,086
Interest payable (long-term)	970	970	-	-	-	970
Assumed loan notes	1,008	1,008	508	500	-	-
Trade payables	34,978	34,978	34,978	-	-	-
Non-trade payables and accrued expense	32,490	32,490	31,836	654	-	-
Lease liabilities	16,667	21,394	5,163	3,252	8,888	4,091

(d) Market risk

Financial risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

<u>Foreign currency and interest rate risk</u>

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the Group. The functional currencies of the Group's major trading companies are USD, EUR and RMB. The currencies in which these transactions are primarily denominated are also USD, EUR, GBP and RMB. On a net basis across all its trading currencies, the Group is typically long on EUR, CAD, AUD and JPY and short on USD. The Group has in place a foreign exchange strategy and policy and has entered into foreign exchange forward contracts to buy and sell USD in exchange for EUR and CAD, and vice versa. As at 31 March 2023 there were contracts in place with a total value of EUR 10.5 million and CAD 3.8 million (2022: EUR 3.0 million), and maturity dates range between 19 April 2023 and 25 July 2024. The mark-to-market value of these transactions was $540 thousand as at 31 March 2023 (2022: $200 thousand).

Market risk - Foreign currency risk

The exposure to foreign currency risk is as follows based on the carrying amount for monetary financial instruments:

	GBP $000	EUR $000	USD $000	RMB $000	Other $000	Total $000
31 March 2023						
Cash and cash equivalents	**19,974**	**8,025**	**5,510**	**4,548**	**4,907**	**42,964**
Trade receivables	**4,315**	**18,394**	**31,686**	**2,272**	**8,583**	**65,250**
Other receivables	**54**	**1,245**	**2,050**	**281**	**5,069**	**8,699**
Borrowings, including interest	**-**	**-**	**(160,233)**	**-**	**-**	**(160,233)**
Trade payables	**(545)**	**(8,081)**	**(27,029)**	**(979)**	**(7,028)**	**(43,662)**
Lease liabilities	**(711)**	**(2,091)**	**(11,620)**	**(636)**	**(2,166)**	**(17,224)**
31 March 2022						
Cash and cash equivalents	15,051	8,712	31,839	5,842	9,773	71,217
Trade receivables	5,389	20,789	22,940	2,559	11,930	63,607
Other receivables	144	915	1,072	280	2,571	4,982
Borrowings, including interest	-	-	(146,243)	-	-	(146,243)
Trade payables	(775)	(6,522)	(20,901)	(2,447)	(4,333)	(34,978)
Lease liabilities	(351)	(931)	(13,182)	(1,331)	(872)	(16,667)

Notes to the Consolidated Financial Statements
(continued)

Sensitivity analysis:

A 10% percent strengthening of the following currencies against the USD at 31 March 2023 would have increased/(decreased) equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant.

	Equity at 31 March 2023 $000	Profit or loss Year ending 31 March 2023 $000	Equity at 31 March 2022 $000	Profit or loss Year ending 31 March 2022 $000
EUR	-	**1,781**	-	2,296
GBP	-	**2,309**	-	1,946

A 10% percent weakening of the above currencies against the USD at 31 March 2023 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Market risk – Interest rate risk

Profile:

At the balance sheet date, the interest rate profile of the Group's interest-bearing financial instruments was as follows:

	31 March 2023 $000	31 March 2022 $000
Variable rate instruments		
Financial liabilities – Tranche B CISX Listed Variable Rate Loan Notes	**158,061**	144,265

Sensitivity analysis

A change of 1 percentage point in interest rates at the balance sheet date would have increased/ (decreased) net assets and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant and considers the effect of variable rate instruments, financial instrument at fair value through profit or loss or available for sale with fixed interest rates and the fixed rate element of interest rate swaps.

Profit or loss	31 March 2023 $000	31 March 2022 $000
Increase	**(1,446)**	(1,395)
Decrease	**1,446**	1,395

(e) Capital management

The Group's objectives when managing capital are to safeguard its solvency in order to provide optimal returns for its ultimate parent company, and to maintain an efficient capital structure.

In doing so, the Group's strategy is to retain appropriate levels of liquidity headroom to ensure financial stability and flexibility. To achieve this strategy and maintain this position, the Group ensures a combination of short-term liquidity headroom with a long-term debt maturity profile. As at the balance sheet date the Group's short term liquidity headroom was $68,300 thousand (2022: $93,700 thousand) average debt maturity profile was 5.4 years (2022: 6.4 years).

In order to maintain or realign the capital structure, the Group may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares, or sell assets to reduce debt.

Notes to the Consolidated Financial Statements
(continued)

The Group monitors capital based on the carrying amount of equity plus its loan notes, less cash and cash equivalents as presented in the consolidated balance sheet. The amounts managed as capital by the Group includes:

	31 March 2023 $000	31 March 2022 $000
Net equity	(49,661)	(25,119)
Tranche B Loan Notes	158,061	144,265
Assumed loan notes	503	1,008
Cash and cash equivalents	(42,964)	(71,217)
Total capital	65,939	48,937

The Group has honoured its covenant obligations.

Note 25: Leases

i) Group as a lessee

The Group leases various properties and vehicles. Property contract terms vary from 1 year to 10 years and vehicle contracts have a typical duration of 3 to 4 years. Property lease terms are negotiated on an individual basis and contain a range of different terms and conditions. Vehicle lease terms tend to be of a standard nature. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

The Group does not recognise any of its property leases as being short-term but does for some of its vehicles. The Group does not recognise any of its leases as being of low value. The Group does not have any variable lease payments that depend on sales.

Some property leases contain extension options. Our best estimate of potential future lease payments not included in lease liabilities is $17,000 thousand (2022: $15,000 thousand) assuming all extension options will be exercised. However, all property lease contracts will continue to be reviewed.

There are no contracts with lessor only extension options.

(ii) Right-of-use assets

Right-of-use assets are presented as property, plant and equipment. Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year.

	Land & buildings $000	**Plant & equipment $000**	**Total $000**
Balance at 1 April 2022	**3,160**	**1,490**	**4,650**
Depreciation charge for the year	**(1,732)**	**(1,109)**	**(2,841)**
Additions	**3,742**	**1,853**	**5,595**
Derecognition of right-of-use assets	**(2)**	**-**	**(2)**
Impairment charge[1]	**(2,708)**	**109**	**(2,599)**
Effect of movement in foreign exchange	**4**	**(1)**	**3**
Balance at 31 March 2023	**2,464**	**2,342**	**4,806**

	Land & buildings $000	**Plant & equipment $000**	**Total $000**
Balance at 1 April 2021	8,837	1,688	10,525
Depreciation charge for the year	(3,166)	(1,279)	(4,445)
Additions	1,522	1,845	3,367
Derecognition of right-of-use assets	(27)	-	(27)
Impairment charge	(4,017)	(741)	(4,758)
Effect of movement in foreign exchange	11	(23)	(12)
Balance at 31 March 2022	3,160	1,490	4,650

1 Includes the reversal of $447 thousand of vehicle related right of use assets impaired in error in the prior year.

Notes to the Consolidated Financial Statements
(continued)

(iii) Lease liability

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the year.

	Land & buildings $000	Plant & equipment $000	Total $000
Balance at 1 April 2022	**14,383**	**2,284**	**16,667**
Additions	**3,512**	**1,853**	**5,365**
Derecognition	**(2)**	**-**	**(2)**
Accretion of interest	**676**	**110**	**786**
Payments	**(4,191)**	**(1,380)**	**(5,571)**
Effect of movement in foreign exchange	**(9)**	**(12)**	**(21)**
Balance at 31 March 2023	**14,369**	**2,855**	**17,224**
Current	**3,733**	**1,213**	**4,946**
Non-current	**10,636**	**1,642**	**12,278**

	Land & buildings $000	Plant & equipment $000	Total $000
Balance at 1 April 2021	17,028	1,753	18,781
Additions	1,522	1,845	3,367
Derecognition	(27)	-	(27)
Accretion of interest	705	92	797
Payments	(4,849)	(1,382)	(6,231)
Effect of movement in foreign exchange	4	(24)	(20)
Balance at 31 March 2022	14,383	2,284	16,667
Current	4,092	1,039	5,131
Non-current	10,291	1,245	11,536

(iv) Amounts recognised in the income statement

Year ended 31 March 2023	**$000**
Leases under IFRS 16	
Depreciation of right-of-use assets	**2,841**
Impairment of right-of-use assets	**2,599**
Interest on lease liabilities	**786**
Expense relating to short-term leases	**1,576**
Total	**7,802**

Year ended 31 March 2022	**$000**
Leases under IFRS 16	
Depreciation of right-of-use assets	4,445
Impairment of right-of-use assets	4,758
Interest on lease liabilities	797
Expense relating to short-term leases	1,854
Total	11,854

Impairments of $447 thousand recorded in the prior year on vehicle right of use assets were reversed in the current year. These assets were attributed to Kodak Moments in error and inadvertently included in the allocation of the prior year impairment charges (note 11).

Notes to the Consolidated Financial Statements
(continued)

Note 26: Commitments

Commitments
There are no material capital commitments for the Group at 31 March 2023 (2022: nil).

At 31 March 2023 the Group had non-cancellable purchase commitments amounting to $12,657 thousand (2022: $20,572 thousand).

Guarantees and indemnities

The Group has arrangements in place in connection with the issuance of guarantees to a number of third parties to support its day-to-day operations. It provides an indemnity for a $2,000 thousand bank facility for the issuance of demand guarantees. The amount outstanding under this facility as at 31 March 2023 was $1,576 thousand (2022: $1,407 thousand.) In addition, the Group has an agreement with a third party in the US to enable accelerated collection of duty from US Customs and Border Protection. The potential obligation arising in connection with this arrangement as at 31 March 2023 was $658 thousand (2022: $496 thousand).

Note 27: Contingencies

ITyX Litigation

The Company is the plaintiff in a German litigation action brought against ITyX Technology GmbH, ITyX KG and Süleyman Arayan. The matters at stake relate to Kodak Alaris Holdings Limited's shares in ITyX Technology GmbH, the validity of a call option, the validity of the termination of an investment framework agreement, the withdrawal of the Company as a shareholder from ITyX Technology GmbH and compensation due to the Company arising from such withdrawal. According to the Federal Court of Justice decision of 3 May 2022 the amount in dispute is EUR 11,546 thousand. The Company expects to be awarded compensation by the Court for the shares in line with the valuation. However, the likelihood of receiving the full amount of this award will be dependent on ITyX's ability to pay.

On 9 March 2021, the Higher Regional Court of Frankfurt rendered a partial interlocutory judgement on the merits in which it declared that the defendants cannot derive any rights from the call option, the Company validly terminated the investment framework agreement, the Company validly withdrew from ITyX Technology GmbH as a shareholder and compensation is due to the Company equal to the fair market value for its shares. With a decision dated 8 March 2022 the Federal Court of Justice denied the defendants' leave to appeal. The judgement of 9 March 2021 thereby became res judicata and is final. On 7 November 2022 the Higher Regional Court of Frankfurt appointed an expert to value the shares in ITyX Technology GmbH. Once a valuation of the shares is agreed or determined it is anticipated that the Court will order the transfer of those shares by the Company in return for payment of compensation equivalent to the valuation.

The Company is the defendant in a German litigation action brought by ITyX Solutions AG. ITyX Solutions AG has claimed damages of EUR 48,367 thousand plus USD 69,682 thousand and interest thereon. The matters at stake relate to alleged immoral behaviour by Kodak Alaris Inc. orchestrated by the Company intended to cause damage to ITyX Solutions AG through the termination of certain commercial agreements. In the judgement of 26 November 2020, the District Court of Cologne dismissed ITyX Solution AG's claims in their entirety. ITyX Solutions AG filed an appeal on 22 December 2020 with the Higher Regional Court of Cologne. The Company defended the appeal and the appeal hearing took place at the Higher Regional Court of Cologne on 24 November 2022. In the judgement of 26 January 2023, the Higher Regional Court of Cologne dismissed the claims and the appeal in their entirety. ITyX Solutions AG did not file a further appeal. The judgement of 26 January 2023 thereby became res judicata and is final.

The Company filed a costs claim against ITyX Solutions AG which was granted by the District Court of Cologne. On 26 October 2021 the Company received payment of EUR 468 thousand from ITyX Solutions AG being the full amount of the costs award. The Company has secured a further costs order for EUR 560 thousand from ITyX Solutions AG relating to the appeal that was brought against the Company in the Higher Regional Court of Cologne. ITyX Solutions AG is making payments to the Company via a payment instalment plan with respect to those costs.

The Company is the defendant in a German litigation action brought by ITyX Technology GmbH. ITyX Technology GmbH is suing the Company for damages of EUR 2,000 thousand plus interest thereon which ITyX Technology GmbH claims is due and payable pursuant to an investment framework agreement to which the Company is a party. Following the Court hearing on 30 November 2021 and with judgement dated 3 March 2022 the Court of First Instance dismissed ITyX Technology GmbH's complaint in its entirety for a second time by upholding the earlier default judgement in the Company's favour of 28 July 2020. ITyX Technology GmbH filed an appeal with legal brief dated 17 March 2022 with the Higher Regional Court of Frankfurt. The appeal hearing will take place at the Higher Regional Court of Frankfurt on 9 October 2023. Based on the advice of external counsel it is unlikely the Company will incur any damages.

The Company filed a costs claim against ITyX Technology GmbH which was granted by the Court of First Instance. In June 2022, the Company received payment of EUR 22 thousand from ITyX Technology GmbH being the full amount of the costs award.

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Class action lawsuit against CVS

In May 2022, CVS, a key customer of Kodak Moments was served with a class action complaint (the "Complaint") alleging violations of the Illinois Biometric Information Privacy Act ("BIPA"). At issue is the Kodak Biometric ID Photo System (the "System"), which is part of the Kodak Moments software that is installed on CVS kiosks in Illinois and throughout the US. The Complaint alleges that CVS's implementation of the System violates BIPA because it collects biometric information from individuals without providing certain required disclosures and obtaining written consent from customers.

In June 2022, CVS notified KA Inc. of the Complaint and requested indemnification pursuant to the terms of the CVS/KA contract. KA Inc. agreed to engage and pay for external counsel on a tight timeframe due to an impending deadline for an answer to the Complaint. KA Inc. successfully moved the case to the US Federal Court.

In August 2022 KA Inc. filed for a motion to dismiss the case in an effort to prevent the case proceeding to discovery and ultimately trial. In December 2022, the Court granted KA Inc.'s motion to dismiss with prejudice on one of the counts and remanded the Complaint back to the State Court on the remaining two counts for jurisdictional reasons. Subsequently, the Plaintiffs filed a motion for reconsideration, arguing that additional facts were available that cut against dismissal and this warranted an opportunity for them to replead their Complaint. Although KA Inc. contested this motion (arguing that the Court had already made a final ruling, no reconsideration should be permitted, and an appeal is the proper remedy), the Court granted the Plaintiff's motion in February 2023 thus allowing the Plaintiffs to file an Amended Complaint. In March 2023, KA Inc. filed a motion to dismiss the Plaintiff's Amended Complaint however this was denied and the case has now been set down for trial. In May 2023, KA Inc. filed its Reply to the Complaint.

KA Inc. and external counsel continue to believe that the Plaintiff's claims ultimately have no merit.

KA Inc. has notified its insurers of the claim and is in dialogue with them regarding a determination on confirmation of coverage.

Notes to the Consolidated Financial Statements
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Note 28: Related parties

The Group had related party transactions with its directors, various pension schemes and its ultimate parent. The disclosure of the director's remuneration is reported under note 7 and transactions with the pension schemes are disclosed in note 21. The Group also has minor equity accounted investments but there were no transactions recorded between the Group and these investees. None of the Directors or their immediate relatives own shares of the Company. All transactions have been conducted on an arms-length basis.

	Costs paid on behalf of ultimate parent $000	Interest expense $000	Amounts owed to related party $000
31 March 2023			
Ultimate parent of the Group	**606**	**14,495**	**159,730**
	606	**14,495**	**159,730**
31 March 2022			
Ultimate parent of the Group	554	10,065	145,235
	554	10,065	145,235

In addition to the transactions and balances shown in the above table, the Group has been charged $285 thousand (2022: $304 thousand) for professional services provided to the ultimate parent company by Yasimol Unipessoal Lda., a company controlled by Chris Howell, the Chair of the Board of Directors. Of the amount charged $43 thousand was outstanding at 31 March 2023 (2022: $60 thousand).

There are no material non-controlling interests in any of the above investments as the Group holds 100% of all subsidiary entities when stakes held by intermediate holding companies are considered.

Compensation of Key Management Personnel of the Group

Key management personnel include directors (executive and non-executive) and members of the Kodak Alaris Executive Committee.

	31 March 2023 $000	31 March 2022 $000
Short term employee benefits	4,127	6,180
Post-employment benefits	-	65
Other long-term employment benefits	743	374
	4,870	6,619

The amount owed to key management personnel at 31 March 2023 amounted to $2,030 thousand (2022: $3,120 thousand).

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(continued)

The consolidated financial statements include the financial statements of Kodak Alaris Holdings Limited and the subsidiaries listed in the following table:

Name	Registered office	Country of incorporation	Class of shares held
Directly held			
Kodak Alaris Australia Pty. Limited	PPNSW Services PTY Limited, 'Tower 2 Darling Park' Level 16, 201 Sussex Street, Sydney NSW 2000	Australia	Ordinary
Kodak Alaris Operations Canada Inc.	67 Yonge Street, Suite 701, Toronto, Ontario M5E 1J8	Canada	Ordinary
Kodak Alaris Imaging Equipment (Shanghai) Co. Ltd.	General Factory Building, Floor 1, Building 6, No. 1510 Chuanqiao Road, Shanghai Jinqiao Economic & Technological Development Zone, Shanghai 201206	China	Ordinary
Kodak Alaris Management (Shanghai) Co. Ltd.	Area A, Ist Floor, Building 8, 27 New Jinqioa Road, Jinqiao Economic and Technology Development Zone, Pudong New District, Shanghai	China	Ordinary
Kodak Alaris France SAS	Immeuble METROSUD, 1 Boulevard Hippolyte Marques, 94200 Ivry-Sur-Seine, France		
Kodak Alaris Germany GmbH	Augsburger Straße 712 70329 Stuttgart Germany	Germany	Ordinary
Kodak Alaris Hong Kong Limited [2 & 3]	Unit 2, 10/F., NEO, 123 Hoi Bun Road, Kwun Tong, Kowloon	Hong Kong	Ordinary
Kodak Alaris India Private Limited [2 & 3]	1403A, Bhumiraj Costarica, Plot No 1 and 2, Sector 18, Sanpada, Navi Mumbai – 400705, Maharashtra, India	India	Ordinary
Kodak Alaris Italy S.R.L.[2]	Viale Monte Santo 1/3 20124 Milano, Italy	Italy	Ordinary
Kodak Alaris Japan Kabushiki-Kaisha	KDX Ochanomizu-Building, 2-9 Kanda Surugadai, Chioda-ku, Tokyo	Japan	Ordinary
Kodak Alaris Mexico S.A. de C.V.	Ave, Americas 1462,3rd Floor, Col. Country Club, Guadalajara, Jalisco, C.P. 44610.	Mexico	Ordinary
Kodak Alaris Singapore Pte. Ltd.[1]	600 North Bridge Road, Parkview Square, #10-01, Singapore 188778	Singapore	Ordinary
Kodak Alaris Spain, S.L.U. [2]	Calle Serrano 41, 4º, 28001, Madrid, Spain	Spain	Ordinary
Kodak Alaris Switzerland Sàrl [2 & 3]	Boulevard Georges-Favon 8, c/o Zedra Trust Company (Suisse) SA, 1204 Genève, Switzerland	Switzerland	Ordinary
Kodak Alaris Limited [4]	Part Second Floor of Westside Two, Westside, London Road, Apsley, Hemel Hempstead, Hertfordshire, HP3 9TD, England	United Kingdom	Ordinary
Kodak Alaris Inc.	2711 Centreville Road, Suite 400, Wilmington, Delaware 19808	United States	Ordinary
Indirectly held			
Kodak Alaris International Limited Zweigniederlassung Österreich [2 & 5]	Neustiftgasse 5/1/9, 1070 Wien	Austria	Ordinary
Kodak Alaris International Limited [4]	Part Second Floor of Westside Two, Westside, London Road, Apsley, Hemel Hempstead, Hertfordshire, HP3 9TD, England	United Kingdom	Ordinary
Kodak Alaris Limited Dubai Branch	Office 701, Cayan Business Center, Barsha Heights (TECOM), PO Box 75636, Dubai, UAE	UAE	Ordinary
Kodak Alaris Management (Shanghai) Co. Ltd. – Beijing Branch	Unit 1008A&1009, 10th Floor, Tower A, Yingke Center, No. Jia 2 North Gongti Road, Chaoyang District, Beijing	China	Ordinary

During the year the entities in Italy and Spain were liquidated and the branch in Austria was deregistered. Immobilliare Aquileja S.R.l Italy shareholding was sold. There have been no other changes in % ownership held in the year.

Note 29: Ultimate parent company

The Company is wholly owned by The Board of the Pension Protection Fund. The Pension Protection Fund is a statutory fund in the United Kingdom, intended to protect members if their defined benefits pension fund becomes insolvent. It was established by the Pensions Act 2004 and is accountable to Parliament through the Secretary of State for the Departments for Work and Pensions.

Note 30: Subsequent events

After the reporting date, the $50 million shareholder funding facility was extended to 29 September 2026 by the shareholder.

1 Kodak Alaris Singapore Pte. Ltd. has a Philippine representation office in process of being closed.

2 In the previous year the Group announced that it had changed the go to market model for operations in Austria, Hong Kong, India, Italy and Switzerland. Kodak Alaris Italy S.R.L was liquidated in January 2023, Kodak Alaris Spain S.L.U. was liquidated in December 2022 and Immobiliare Aquileja S.R.l Italy Shareholding was sold April 2022.

3 Hong Kong, India, and Switzerland entities are currently in liquidation.

4 As permitted by s479A of the Companies Act 2006, the Group has taken advantage of the audit exemption in relation to the individual accounts of these companies.

5 The Kodak Alaris International Limited Zweignierderlassung Osterreich Branch was deregistered in December 2022.

Notes to the Consolidated Financial Statements
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Note 31: Accounting estimates and judgements

In preparing these financial statements management has made judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income, and expense. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Key judgements and estimates include the following:

Judgements

Non-recurring items (note 4)

The Group incurs costs and earns income that is non-recurring in nature or that, in the Directors' judgement, need to be disclosed separately by virtue of their size and incidence for users of the consolidated financial statements to obtain a proper understanding of the financial information and the underlying performance of the business.

Capitalisation of development costs (note 12)

The Group undertakes development activities and capitalises certain expenditure as internally generated intangible assets when certain criteria are met. Judgement is required to determine when accumulation of costs to be capitalised begins and ends. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. At 31 March 2023, the carrying amount of capitalised development costs was $4,884 thousand (2022: $10,926 thousand). If a product is determined to become obsolete in a future period, the unamortised balance would need to be written off. If a product fails to generate the expected cash flows it may need to be impaired.

Taxes (note 14)

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. Further details on taxes are disclosed in note 14.

Lease terms (note 25)

The Group has applied judgement to determine the lease term for those lease contracts that include a renewal or break option. The assessment of whether the Group is reasonably certain to exercise a renewal option or not to exercise a break option significantly impacts the value of lease liabilities and right-of-use assets recognised on the balance sheet.

Estimates and assumptions

Impairment of Goodwill and cash-generating units (notes 11 and 12)

Goodwill is not amortised but is tested annually for impairment and carried at cost less accumulated impairment losses. Future impairment reviews require the use of estimates and assumptions related to the profitability and cash-generating ability of the acquired businesses, and the discount rate used in discounting these projected cash flows.

The Directors adopt either a fair value less cost of disposal or value in use approach for calculating the impairment of goodwill and cash-generating units at the reporting date. Fair value less cost of disposal is determined using EBITDA and valuation multiples which respectively rely on projections based on three-year plans and input on multiples form third party valuation experts. Value in use is calculated from cash flow projections based on the Group's three-year plan and details of the key estimates and sensitivities are disclosed in note 11 and 12.

Amortisation of intangibles (note 12)

The amortisation of intangible assets requires estimates to be made of their economic useful life to determine the appropriate rate of amortisation. Future impairment analysis may lead to a write-down of the unamortised balances.

Defined benefit pension schemes (note 21)

Determining the value of future defined benefit pension obligations requires the use of certain assumptions including inflation rates, salary increases, discount rates and mortality rates, among others. Changes to these assumptions can significantly affect the value of the obligation. These assumptions are applied on the advice of an independent actuary. Changes in discount rates and the rate of salary and pension increases are disclosed in note 21.

Provisions (note 16, 18 and 22)

The Group identified ongoing contractual disputes and other potential claims from customers, employees, and suppliers. Where recording a provision is appropriate, management will estimate the value of any future economic outflows associated with these matters including, where relevant, assessment based of external legal and expert advice and prior experience of such claims. If management had concluded differently regarding the estimated value of any future economic outflows associated with these matters, the provision and income statement expense recorded would increase or decrease respectively. If actual experience is different the income statement expense would increase or decrease.

Similarly for inventory reserves, expected credit losses, warranties, dilapidations, restructuring, inventory, and other provisions, management will estimate future economic outflows associated with the obligations based on prior experience and expectations for the future. Actual experience will be different and the income statement expense recorded would increase or decrease accordingly.

Company Financial Statements

Company Balance Sheet

at 31 March 2023

	Note	31 March 2023 $000	31 March 2022 $000
Assets			
Intangible assets	*2*	**1,215**	1,649
Trade and other receivables	*3*	**59,698**	64,170
Investments in subsidiaries	*4*	**44,408**	45,114
Non-current assets		**105,321**	110,933
Trade and other receivables	*3*	**248,691**	478,091
Cash and cash equivalents	*6*	**29,208**	40,166
Current assets		**277,899**	518,257
Total assets		**383,220**	629,190
Liabilities			
Employee Benefits	*7*	**(653)**	(746)
Other interest-bearing loans and borrowings	*8*	**(159,730)**	(145,235)
Other payables	*9*	**(528)**	(632)
Non-current liabilities		**(160,911)**	(146,613)
Other interest-bearing loans and borrowings	*8*	**(184,627)**	(427,356)
Trade and other payables	*9*	**(91,385)**	(97,761)
Income Tax Payable		**-**	(71)
Provisions	*10*	**(390)**	(14)
Current liabilities		**(276,402)**	(525,202)
Total liabilities		**(437,313)**	(671,815)
Net liabilities		**(54,093)**	(42,625)
Equity attributable to equity holders of the parent			
Share capital	*11*	**167,000**	167,000
Retained deficit	*11*	**(782,973)**	(748,344)
Comprehensive loss for the year	*11*	**(11,468)**	(34,629)
Capital contribution reserve	*11*	**573,348**	573,348
Total deficit		**(54,093)**	(42,625)

The notes on pages 100 to 108 form part of these financial statements.

These financial statements were approved by the Board of Directors on 7 August 2023 and were signed on its behalf by:

Diane Gardner
Chief Financial Officer

Company registered number: 08550309

Company Financial Statements (continued)

Company Statement of Changes in Equity

for the year ended 31 March 2023

	Share Capital $000	Capital contribution reserve $000	Retained deficit $000	Total parent equity $000
Balance at 1 April 2021	167,000	573,348	(748,344)	(7,996)
Other comprehensive income	-	-	128	128
Loss for the year	-	-	(34,757)	(34,757)
Total comprehensive expense for the year	**-**	**-**	**(34,629)**	**(34,629)**
Balance at 31 March 2022	**167,000**	**573,348**	**(782,973)**	**(42,625)**
Balance at 1 April 2022	167,000	573,348	(782,973)	(42,625)
Other comprehensive income	-	-	86	86
Loss for the year	-	-	(11,554)	(11,554)
Total comprehensive expense for the year	**-**	**-**	**(11,468)**	**(11,468)**
Balance at 31 March 2023	**167,000**	**573,348**	**(794,441)**	**(54,093)**

The notes on pages 100 to 108 form part of these financial statements.

Company Financial Statements (continued)

Company Cash Flow Statement

for the year ended 31 March 2023

	Note	**Year ending 31 March 2023 $000**	Year ending 31 March 2022 $000
Cash flows from operating activities			
Loss for the year[1]		**(11,554)**	(34,757)
Adjustments for:			
Amortisation	*2*	**434**	3,726
Expected credit losses on amounts due from Group undertakings	*12*	**17,300**	33,428
Intercompany dividends	*11*	**(21,772)**	(16,939)
Investment impairment	*4*	**(57)**	515
(Gain)/loss on divesture		**(290)**	1,317
Tax charge/(credit)		**134**	(351)
IAS 19 pension charge	*7*	**12**	9
Net intercompany management fee (income)/charges		**(4,209)**	1,535
Foreign exchange loss/(gain)		**8,537**	(2,911)
Royalties income		**(5,949)**	(6,034)
Net intercompany interest income		**(9,501)**	(6,801)
Interest expense		**15,372**	11,503
Change in fair value of forward and swap contracts		**740**	(200)
		(10,803)	(15,960)
Increase in trade and other receivables		**(363)**	(561)
Increase in provisions	*10*	**376**	14
Decrease in trade and other payables		**(3,339)**	(759)
Cash contributions to pension scheme	*7*	**-**	(56)
Tax paid		**(148)**	(91)
Net cash used in operating activities		**(14,277)**	(17,413)
Cash flows from investing activities			
Cash dividends received		**1,951**	-
Interest received		**559**	-
Net cash from investing activities		**2,510**	-
Cash flows from financing activities			
Decrease/(increase) in loans and advances to Group undertakings		**32,402**	(97)
Bank charges and interest paid		**(422)**	(515)
(Decrease)/increase in loans and borrowings from Group undertakings		**(31,082)**	20,788
Net cash from financing activities		**898**	20,176
Net (Decrease)/increase in cash and cash equivalents		**(10,869)**	2,763
Cash and cash equivalents at beginning of year	*6*	**40,166**	38,177
Effect of exchange rate fluctuations on cash held		**(89)**	(774)
Cash and cash equivalents at the end of the year	*6*	**29,208**	40,166

The notes on pages 100 to 108 form part of these financial statements.

1 Net cash used in operating activities includes non-recurring business projects costs of $nil (2022: $2,065 thousand).

Notes to the Company Financial Statements

(forming part of the financial statements)

Note 1: Accounting policies

The Company financial statements have been prepared in accordance with UK-adopted international accounting standards, in-line with the consolidated financial statements. Accordingly, the accounting policies included in Note 2 and accounting estimates and judgements included in Note 31 of the consolidated financial statements are also applicable to the Company financial statements.

On publishing the parent company financial statements here together with the Group financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual income statement and related notes that form a part of these approved financial statements.

Note 2: Intangible assets

	Other Intangibles $000	Trademarks and Patents $000	Total $000
Cost			
Balance at 1 April 2021 and 1 April 2022	2,500	146,786	149,286
Balance at 31 March 2022 and 31 March 2023	**2,500**	**146,786**	**149,286**
Amortisation and impairment			
Balance at 1 April 2021	(2,500)	(141,411)	(143,911)
Amortisation charge	-	(3,726)	(3,726)
Balance at 31 March 2022	**(2,500)**	**(145,137)**	**(147,637)**
Balance at 1 April 2022	(2,500)	(145,137)	(147,637)
Amortisation charge	-	(434)	(434)
Balance at 31 March 2023	**(2,500)**	**(145,571)**	**(148,071)**
Net book value at 31 March 2022	-	1,649	1,649
Net book value at 31 March 2023	**-**	**1,215**	**1,215**

Based on the assessment techniques as described in note 12 of the consolidated financial statements, the Company recorded no impairment charges on brand assets during the year (2022: nil).

Note 3: Trade and other receivables

	31 March 2023 $000	31 March 2022 $000
Other trade receivables	**255**	318
Prepayments	**819**	1,821
Amounts due from Group undertakings	**307,315**	540,122
Total trade and other receivables	**308,389**	542,261
Non-current	**59,698**	64,170
Current	**248,691**	478,091
Total trade and other receivables	**308,389**	542,261

There were no material amounts pledged as collateral for the year (2022: nil). Amounts due from Group undertakings includes $204,000 thousand (2022: $430,000 thousand) which relates to interest bearing loans and advances due from subsidiaries. The remaining amounts due to from Group undertakings are interest free and repayable on demand

Notes to the Company Financial Statements
(continued)

Note 4: Investments

Investments in subsidiaries	Country of Incorporation	Ownership %	Carrying value 1 April 2022 $000	Acquisition $000	Disposals $000	Impairment charge $000	Carrying value 31 March 2023 $000	Carrying value 31 March 2022 $000
Directly held								
Kodak Alaris Australia Pty. Limited	Australia	100%	500	-	-	-	**500**	500
Kodak Alaris Operations Canada Inc.	Canada	100%	1,043	-	-	-	**1,043**	1,043
Kodak Alaris Imaging Equipment (Shanghai) Co. Ltd.	China	100%	2,100	-	-	-	**2,100**	2,100
Kodak Alaris Management (Shanghai) Co. Ltd.	China	100%	4,600	-	-	-	**4,600**	4,600
Kodak Alaris France SAS	France	100%	815	-	-	-	**815**	815
Kodak Alaris Germany GmbH	Germany	100%	6,034	-	-	-	**6,034**	6,034
Kodak Alaris Hong Kong Ltd.[1]	Hong Kong	100%	2,600	-	-	-	**2,600**	2,600
Kodak Alaris India Private Limited[1]	India	99%	1,755	-	-	(458)	**1,297**	1,755
Kodak Alaris Italy S.R.L.[1]	Italy	100%	242	-	(242)	-	**-**	242
Kodak Alaris Japan Kabushiki-Kaisha	Japan	100%	-	-	-	-	**-**	-
Kodak Alaris Mexico S.A. de C.V.	Mexico	99%	2,108	-	-	-	**2,108**	2,108
Kodak Alaris Singapore Pte. Ltd.[2]	Singapore	100%	3,000	-	-	-	**3,000**	3,000
Kodak Alaris Spain, S.L.U. [1]	Spain	100%	6	-	(6)	-	**-**	6
Kodak Alaris Switzerland Sarl[1]	Switzerland	100%	2,242	-	-	-	**2,242**	2,242
Kodak Alaris Limited[3]	United Kingdom	100%	18,069	-	-	-	**18,069**	18,069
Kodak Alaris Inc.	United States	100%	-	-	-	-	**-**	-
Indirectly held								
Kodak Alaris International Limited Zweigniederlassung Österreich [1]	Austria	100%	-	-	-	-	**-**	-
Kodak Alaris International Limited[1]	United Kingdom	100%	-	-	-	-	**-**	-
Kodak Alaris Limited Dubai Branch	UAE	100%	-	-	-	-	**-**	-
Kodak Alaris Management (Shanghai) Co. Ltd. – Beijing Branch	China	100%	-	-	-	-	**-**	-
			45,114	-	(248)	(458)	**44,408**	45,114

Investments are carried at cost less provision for impairment. The Company considers the carrying value of its investments in subsidiaries annually to determine whether any indicators of impairment exist, which includes considering whether the Company net liability position is lower than that of the Group.

Where indicators of impairment existed, the Company then assessed whether the recoverable amount exceeded the carrying value of the investment in that entity through a value in use discounted cashflow model, using the principles and assumptions set out for the consolidated intangible assets (Note 12), and considering entity specific cash flows. The Company has recorded impairment charges of $458 thousand in relation to the investment in Kodak Alaris India Private Limited.

In 2022 the Company recorded impairment charges in relation to investments of $515 thousand in Kodak Alaris International Limited. The $515 thousand was subsequently reversed and transferred to Kodak Alaris Limited (the parent Company of Kodak Alaris International Limited) on the grounds that the investment was initially temporarily held in the holding Company on behalf of Kodak Alaris Limited. This investment has been fully impaired in Kodak Alaris Limited.

1 During the year Kodak Alaris India Private Limited, Kodak Alaris Hong Kong Limited and Kodak Alaris Switzerland Sarl were placed into liquidation. Kodak Alaris Italy S.R.L. and Kodak Alaris Spain S.L.U. were liquidated during the year. Kodak Alaris International Limited Zweigniederlassung Österreich was deregistered during the year.

2 Kodak Alaris Singapore Pte. Ltd. has a Philippine representation office in process of being closed.

3 As permitted by s479A of the Companies Act 2006, the Group has taken advantage of the audit exemption in relation to the individual accounts of these companies.

Notes to the Company Financial Statements
(continued)

Note 5: Deferred tax liabilities

There was no deferred tax liability recognised at 31 March 2023 (2022: nil).

No deferred tax assets were recognised in respect of gross tax losses of $144,992 thousand (2022: $138,669 thousand) or gross corporate interest restriction adjustments of $63,730 thousand (2022: $62,942 thousand) due to uncertainty over their future use. There are no statutory time limits for use of either attribute.

Note 6: Cash and cash equivalents

	31 March 2023 $000	31 March 2022 $000
Cash and cash equivalents	**29,208**	40,166

Cash and cash equivalents include $nil (2022: $nil) that are restricted as to withdrawal or use under the terms of certain contractual agreements.

Note 7: Employee Benefits

	Present value of defined benefit obligation 31 March 2023 $000	Fair value of plan assets 31 March 2023 $000	Net balance sheet position 31 March 2023 $000
Amounts recognised at 1 April 2022	(6,948)	6,202	(746)
IAS 19 Cost			
Interest (expense)/income	(108)	96	**(12)**
(Expense)/Benefit Recognised in Income Statement	(108)	96	**(12)**
Actuarial gains/(losses)			
Return on plan assets, excluding interest expense	-	(1,026)	**(1,026)**
Gain from change in financial assumptions	1,308	-	**1,308**
Loss from actuarial experience	(167)	-	**(167)**
Loss from demographic assumptions	(33)	-	**(33)**
Actuarial gains/(losses) recognised in consolidated statement of other comprehensive income	1,108	(1,026)	**82**
Cash flow			
Employer contributions	-	-	-
Benefits paid from plan assets	248	(248)	-
Net cash inflow/(outflow)	248	(248)	-
Other			
Exchange differences	230	(207)	**23**
Total other	230	(207)	**23**
Amounts recognised at 31 March 2023	**(5,470)**	**4,817**	**(653)**

Notes to the Company Financial Statements
(continued)

Note 8: Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Company's exposure to interest rate and foreign currency risk, see note 12.

	31 March 2023	31 March 2022
	$000	**$000**
Loan notes	**158,061**	144,265
Interest payable	**1,669**	970
Non-current liabilities	**159,730**	145,235
Loan from associate/subsidiaries	**184,627**	427,356
Current liabilities	**184,627**	427,356

Note 9: Trade and other payables

	31 March 2023 $000	31 March 2022 $000
Trade payables	**271**	374
Amounts due to other Group undertakings	**88,375**	92,004
Other trade payables and accrued expense	**2,739**	5,383
Current	**91,385**	97,761
Other payables	**528**	632
Non-current	**528**	632

Trade payables are non-interest bearing and are normally settled on 60-day terms (2022: 60-day terms).

Note 10: Provisions

	Restructuring $000
Balance at 1 April 2022	**(14)**
Provision made during the year	**(540)**
Provision used during the year	**164**
Balance at 31 March 2023	**(390)**
Current	**(390)**

Notes to the Company Financial Statements
(continued)

Note 11: Capital and reserves

Share capital	31 March 2023 000	31 March 2023 $000	31 March 2022 000	31 March 2022 $000
Authorised & issued for cash ordinary shares of $1.00 each	**167,000**	**167,000**	167,000	167,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Dividends

Dividends received during the year from subsidiaries was $21,772 thousand (2022: $16,939 thousand). No dividends were proposed by the Directors after the balance sheet date (2022: nil).

Capital contribution reserve

The capital contribution reserve of $573,348 thousand is distributable.

Other equity	Capital contribution reserve $000	Retained deficit $000	Total other comprehensive income $000
1 April 2021	573,348	(748,344)	(174,996)
Re-measurement of defined benefit liability	-	128	128
Loss for the year	-	(34,757)	(34,757)
Total other equity at 31 March 2022	573,348	(782,973)	(209,625)
1 April 2022	573,348	(782,973)	(209,625)
Re-measurement of defined benefit liability	-	86	86
Loss for the year	-	(11,554)	(11,554)
Total other equity at 31 March 2023	**573,348**	**(794,441)**	**(221,093)**

Note 12: Financial instruments

(a) Fair values of financial instruments

For financial instruments not held at fair value, the carrying value is deemed to be a reasonable approximation of fair value.

Except as outlined below, there are no significant derivative financial instruments as at 31 March 2023 (2022: nil).

No financial instruments are carried at fair value under level 1 or level 3 of the hierarchy table.

	Level	Carrying amount 31 March 2023 $000	Fair value 31 March 2023 $000	Carrying amount 31 March 2022 $000	Fair value 31 March 2022 $000
Financial liabilities measured at amortised cost					
Tranche B CISX Listed Loan Notes SONIA+7% Maturity 2028	2	**158,061**	**158,061**	144,265	144,265
Loans due to Group undertakings – Base rate 0.0125%, with a minimum rate of zero, Payable on demand	2	**184,627**	**184,627**	427,356	427,356

Loans due to Group undertakings represent deposits by Group undertakings with interest payable at Base -0.0125%, where Base rate equals the rate as specified by the Lending Party at any time and notified to the Borrower.

Notes to the Company Financial Statements
(continued)

(b) Credit risk

Financial risk management

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment cash held with financial institutions.

The Company has no receivables due from an external third party and hence has no external credit risk as at the reporting date.

The Company has the following types of financial assets that are subject to the expected credit loss model:

Credit quality of amount due from Group undertakings and impairment losses

	Gross 31 March 2023 $000	Impairment 31 March 2023 $000	Gross 31 March 2022 $000	Impairment 31 March 2022 $000
Amount due from Group undertakings	**324,615**	**(17,300)**	574,468	(34,346)

The impairment provision for amount due from Group undertaking as at 31 March 2023 reconciles to the opening provision as follows:

	31 March 2023 $000
At 31 March 2022	(34,346)
Utilisation of provision during the year	-
Increase in provision recognised in profit or loss during the year	(17,300)
At 31 March 2023	**(51,646)**

(c) Liquidity risk

Financial risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Company's liquidity requirements are supported by both the Group's funding arrangement in place until 29 September 2026 with its shareholder The Board of the Pension Protection Fund and the funding structures that are in place.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

	Carrying amount $000	Contractual cash flows $000	1 year or less $000	1 to 2 years $000	2 to > 5 years $000	5 years and over $000
31 March 2023						
Tranche B Loan Notes	**158,061**	**307,214**	**-**	**-**	**-**	**307,214**
Loans due to Group undertakings	**184,627**	**184,627**	**184,627**	**-**	**-**	**-**
Interest payable (long-term)	**1,669**	**1,669**	**-**	**-**	**-**	**1,669**
31 March 2022						
Tranche B Loan Notes	144,265	239,086	-	-	-	239,086
Loans due to Group undertakings	427,356	427,356	427,356	-	-	-
Interest payable (long-term)	970	970	-	-	-	970

Notes to the Company Financial Statements
(continued)

(d) Market risk

Financial risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

Foreign currency and interest rate risk

The Company has entered into foreign exchange swap and forward contracts to buy and sell USD in exchange for EUR and CAD and vice versa. At 31 March 2023 there were contracts in place with a total value of EUR 10,500 thousand and CAD 3,800 thousand (2022: EUR 3,000 thousand) with maturity dates of between 19 April 2023 and 25 July 2024. The mark to market value of these transactions was $540 thousand loss at 31 March 2023 (2022: $200 thousand gain).

Market risk - Foreign currency risk

The exposure to foreign currency risk is as follows based on the carrying amount for monetary financial instruments:

	GBP $000	EUR $000	USD $000	Swiss Franc $000	Other $000	Total $000
31 March 2023						
Cash and cash equivalents	**19,808**	**6,580**	**1,230**	**-**	**1,590**	**29,208**
Investments in Group Undertakings	**13,505**	**5,538**	**22,145**	**2,002**	**1,218**	**44,408**
Other receivables	**356**	**977**	**(1,552)**	**376**	**98**	**255**
Amounts due from Group Undertakings	**92,178**	**617**	**205,457**	**-**	**9,063**	**307,315**
Loans due to Group Undertakings	**195,601**	**(367,283)**	**(26,993)**	**(2,171)**	**16,219**	**(184,627)**
Borrowings, including interest	**-**	**-**	**(159,730)**	**-**	**-**	**(159,730)**
Trade payables	**(241)**	**(41)**	**(15)**	**(3)**	**29**	**(271)**
Amounts due to Group undertakings	**-**	**-**	**(88,375)**	**-**	**-**	**(88,375)**
Other payables	**-**	**-**	**(528)**	**-**	**-**	**(528)**
31 March 2022						
Cash and cash equivalents	13,839	3,448	20,426	-	2,453	40,166
Investments in Group Undertakings	13,505	5,771	22,618	2,002	1,218	45,114
Other receivables	(2,261)	-	2,579	-	-	318
Amounts due from Group Undertakings	248,409	96,581	174,109	-	21,023	540,122
Loans due to Group Undertakings	38,078	(438,081)	(16,899)	(8,004)	(2,450)	(427,356)
Borrowings, including interest	-	-	(145,235)	-	-	(145,235)
Trade payables	(274)	(100)	-	-	-	(374)
Amounts due to Group undertakings	(2,061)	-	(89,888)	-	(55)	(92,004)
Other payables	-	-	(632)	-	-	(632)

Sensitivity analysis:

A 10% percent weakening of the following currencies against the USD as at 31 March 2023 would have increased/(decreased) equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date. This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant:

	Equity at 31 March 2023 $000	Profit or loss Year ending 31 March 2023 $000	Equity at 31 March 2022 $000	Profit or loss Year ending 31 March 2022 $000
EUR	-	**(35,915)**	-	(33,815)
GBP	-	**30,770**	-	29,573

A 10% percent strengthening of the above currencies against the USD at 31 March 2023 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Market risk – Interest rate risk

See note 24 of the consolidated financial statements.

Notes to the Company Financial Statements
(continued)

(e) Capital management

The Company's objectives when managing capital are to safeguard its solvency in order to provide optimal returns for the Company, and to maintain an efficient capital structure.

In doing so, the Company's strategy is to retain appropriate levels of liquidity headroom to ensure financial stability and flexibility. To achieve this strategy and maintain this position, the Group ensures a combination of short-term liquidity headroom with a long-term debt maturity profile. As at the balance sheet date the Group's average debt maturity profile was 5.4 years (2022: 6.4 years).

In order to maintain or realign the capital structure, the Group may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares, or sell assets to reduce debt.

Note 13: Commitments

Capital commitments

There are no material capital commitments for the Company at 31 March 2023 (2022: nil).

Guarantees and indemnities

The Company has provided indemnities in connection with arrangements in place to provide guarantees to a number of third parties to support its day-to-day operations and those of its subsidiaries. It provides an indemnity for a $2,000 thousand bank facility for the issuance of demand guarantees. The amount outstanding under this facility as at 31 March 2023 was $1,576 thousand (2022: $1,407 thousand). In addition, the Company has entered into a general indemnity agreement with a third party in the US to enable accelerated collection of duty from US Customs and Border Protection by its US subsidiary. The potential obligation arising in connection with this arrangement as at 31 March 2023 was $658 thousand (2022: $nil thousand).

Note 14: Contingencies

See note 27 of the consolidated financial statements (2022: nil).

Note 15: Related parties

The Company had related party transactions with its directors, subsidiaries, and ultimate parent. The disclosure of the director's remuneration is reported under note 7 of the consolidated financial statements – Directors' Remuneration. Details on the shareholding in the subsidiary companies is detailed in note 4.

	Costs paid on behalf of ultimate parent $000	Interest and royalty income $000	Interest and royalty expense $000	Amounts owed by related party $000	Amounts owed to related party $000
Year ending 31 March 2023					
Ultimate parent of the Group	**606**	**-**	**14,495**	**-**	**159,730**
Subsidiaries	**-**	**17,298**	**1,847**	**307,315**	**273,002**
	606	**17,298**	**16,342**	**307,315**	**432,732**
Year ending 31 March 2022					
Ultimate parent of the Group	554	-	10,064	-	145,235
Subsidiaries	-	12,867	32	540,122	519,360
	554	12,867	10,096	540,122	664,595

In addition to the transactions and balances shown in the above table, the Company has been charged $285 thousand (2022: $304 thousand) for professional services provided to the ultimate parent company by Yasimol Unipessoal Lda a company controlled by Chris Howell, the Chair of the Board of Directors. Of the amount charged $43 thousand was outstanding at 31 March 2023 (2022: $60 thousand).

Notes to the Company Financial Statements
(continued)

Note 16: Ultimate parent company

The Company is wholly owned by The Board of the Pension Protection Fund. The Pension Protection Fund is a statutory fund in the United Kingdom, intended to protect members if their defined benefits pension fund becomes insolvent. It was established by the Pensions Act 2004 and is accountable to Parliament through the Secretary of State for the Departments for Work and Pensions.

Note 17: Subsequent events

See note 30 of the consolidated financial statements.

Note 18: Accounting estimates and judgements

In addition to the accounting estimates and judgements included in note 31 of the Group financial statements, which are also applicable to the Company financial statements, the following applies:

Key sources of estimation uncertainty

Impairment of Investments

Investments are carried at cost less accumulated impairment losses. Future impairment review calculations require the use of estimates related to the profitability and cash-generating ability of the subsidiary, the growth rate used for extrapolation purposes and the discount rate used in discounting these projected cash flows. Management have also exercised judgement in evaluating the impact of component shortages on those calculations.

Kodak alaris

Kodak Alaris Holdings Limited

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Employee photo competition award winning entry by AARON PHILBRICK