

EAKIN SURGICAL LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
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EAKIN SURGICAL LIMITED

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EAKIN SURGICAL LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Intangible assets	5		1,324,341		1,509,132
Tangible assets	6		408,677		502,352
Investments	7		85,316		85,316
			<u>1,818,334</u>		<u>2,096,800</u>
Current assets					
Stocks	10	851,646		932,076	
Debtors	11	988,628		557,291	
Cash at bank and in hand		463,612		1,351,750	
			<u>2,303,886</u>		<u>2,841,117</u>
Creditors: amounts falling due within one year	12	(1,136,059)		(726,670)	
Net current assets			<u>1,167,827</u>		<u>2,114,447</u>
Total assets less current liabilities			<u>2,986,161</u>		<u>4,211,247</u>
Provisions for liabilities					
Deferred tax liability	13	-		44,048	
			<u>-</u>		<u>(44,048)</u>
Net assets			<u>2,986,161</u>		<u>4,167,199</u>
Capital and reserves					
Called up share capital	14		3,750,002		3,750,002
Profit and loss reserves			(763,841)		417,197
Total equity			<u>2,986,161</u>		<u>4,167,199</u>

The notes on pages 2 to 12 form part of these financial statements.

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 28 June 2023 and are signed on its behalf by:



Mr J D Eakin
Director



Mr T G Eakin
Director

Company Registration No. 03939863

EAKIN SURGICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

Eakin Surgical Limited is a private company limited by shares incorporated in England and Wales. The registered office is Greypoint Cardiff Business Park, Llanishen, Cardiff, CF14 5WF.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The company has ongoing financial support from its parent. The directors have no reason to believe a material uncertainty exists that may cast doubt over Eakin Surgical Limited's ability to continue as a going concern. Accordingly, Eakin Surgical Limited continues to adopt the going concern basis in preparing the financial statements.

1.3 Turnover

Turnover comprises revenue recognised by the Company when the goods are dispatched and to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, exclusive of value added tax, rebates and trade discounts. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

EAKIN SURGICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.4 Research and development expenditure

Research and development expenditure is written off to the Profit and Loss Account in the year in which it is incurred. Costs associated with development activities are capitalised as an intangible asset if, and only if, the company can demonstrate the following criteria:

- (a) The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- (b) The company has the intention to complete the intangible asset and use or sell it.
- (c) The ability of the company to use or sell the intangible asset.
- (d) How the intangible asset will generate probable future economic benefits for the company. Among other things, the company should have the ability to demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.
- (e) The company has adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- (f) The company's ability to measure reliably to expenditure attributable to the intangible asset during its development.

1.5 Intangible fixed assets other than goodwill

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The company will recognise an intangible asset arising from development if it can demonstrate all of the criteria as listed in Note 1.4.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Brands	15 years straight line
--------	------------------------

1.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following basis:

Plant and equipment	10% - 15% straight line
Fixtures and fittings	15% straight line
Computers	33% straight line

EAKIN SURGICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account.

1.7 Fixed asset investments

Investments in subsidiaries are measured at cost less accumulated provision for impairment.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on re-measurement are recognised in the Profit and Loss Account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each balance sheet date. Gains and losses on re-measurement are recognised in the Profit and Loss Account for the period.

1.8 Impairment of fixed assets

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

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

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

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Profit and Loss Account.

EAKIN SURGICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.10 Cash and cash equivalents

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

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

1.11 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.12 Equity instruments

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

1.13 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Current tax

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

EAKIN SURGICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Deferred tax

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.14 Retirement benefits

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

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.15 Leases

Rentals paid under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset

1.16 Foreign exchange

Foreign currency transactions are translated into the functional currency using the month exchange rates at month end preceding the date of the transaction.

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account.

1.17 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.18 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

EAKIN SURGICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. 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.

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Determine whether there are indicators of impairment of the Company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash generating unit, the viability and expected future performance of that unit. Judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Taxation: The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amounts of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

3 Auditor's remuneration

	2023	2022
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the company	8,750	8,240
	<u> </u>	<u> </u>

EAKIN SURGICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

4 Employees

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

	2023 Number	2022 Number
Production	15	24
Sales and administration	11	12
Total	26	36

All statutory directors are paid through the parent company, Eakin Healthcare Group Limited.

5 Intangible fixed assets

	Brands £
Cost	
At 1 April 2022 and 31 March 2023	2,650,911
Amortisation and impairment	
At 1 April 2022	1,141,779
Amortisation charged for the year	184,791
At 31 March 2023	1,326,570
Carrying amount	
At 31 March 2023	1,324,341
At 31 March 2022	1,509,132

EAKIN SURGICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

6 Tangible fixed assets

	Assets under construction	Plant and equipment	Fixtures and fittings	Computers	Total
	£	£	£	£	£
Cost					
At 1 April 2022	-	1,571,640	39,150	9,740	1,620,530
Additions	11,229	750	-	-	11,979
At 31 March 2023	11,229	1,572,390	39,150	9,740	1,632,509
Depreciation and impairment					
At 1 April 2022	-	1,098,906	17,378	1,894	1,118,178
Depreciation charged in the year	-	98,590	3,818	3,246	105,654
At 31 March 2023	-	1,197,496	21,196	5,140	1,223,832
Carrying amount					
At 31 March 2023	11,229	374,894	17,954	4,600	408,677
At 31 March 2022	-	472,734	21,772	7,846	502,352

7 Fixed asset investments

	Notes	2023 £	2022 £
Investments in subsidiaries	8	85,316	85,316

8 Subsidiaries

Details of the company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Single Use Surgical Limited	United Kingdom	Dormant	Ordinary	100.00
Single Use Surgical Incorporated	United States of America	Trading	Common stock	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves	Profit/(Loss)
	£	£
Single Use Surgical Limited	85,035	-
Single Use Surgical Incorporated	23,875	27,202

EAKIN SURGICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

9 Financial instruments

	2023 £	2022 £
Carrying amount of financial assets		
<i>Instruments measured at fair value through profit or loss</i>	1,134,018	1,867,614
Carrying amount of financial liabilities		
<i>Measured at fair value through profit or loss</i>		
- Other financial liabilities	(1,100,986)	(705,290)

Financial assets measured at fair value through profit or loss comprise cash at bank and hand.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and amounts owed by other group companies.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and amounts due to group companies.

10 Stocks

	2023 £	2022 £
Raw materials and consumables	437,324	420,975
Work in progress	154,382	60,377
Finished goods and goods for resale	259,940	450,724
	851,646	932,076

11 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	429,483	390,210
Amounts owed by group undertakings	239,500	123,891
Other debtors	1,423	2,867
Prepayments and accrued income	28,990	40,323
	699,396	557,291
Deferred tax asset (note 13)	289,232	-
	988,628	557,291

EAKIN SURGICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

12 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	62,565	103,008
Amounts owed to group undertakings	880,068	460,993
Taxation and social security	35,073	21,380
Accruals and deferred income	158,353	141,289
	<u>1,136,059</u>	<u>726,670</u>

13 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2023 £	Liabilities 2022 £	Assets 2023 £	Assets 2022 £
Balances:				
Accelerated capital allowances	-	45,575	(36,559)	-
Tax losses	-	-	324,198	-
Other timing differences	-	(1,527)	1,593	-
	<u>-</u>	<u>44,048</u>	<u>289,232</u>	<u>-</u>
Movements in the year:				2023 £
Liability at 1 April 2022				44,048
Credit to profit or loss				(333,280)
Asset at 31 March 2023				<u>(289,232)</u>

The deferred tax asset set out above is expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period.

EAKIN SURGICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

14 Share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	3,750,002	3,750,002	3,750,002	3,750,002

15 Equity reserve

Includes all current and prior period retained profits and losses.

16 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Senior Statutory Auditor:	Jonathan R Bethel
Statutory Auditor:	Miscampbell & Co

17 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	1,386	1,494

18 Related party transactions

The Company has taken advantage of the exemption provided by FRS 102 not to disclose transactions with other wholly owned Group companies.

19 Ultimate controlling party

The Company's ultimate parent undertaking is Dunrogan Limited, a company incorporated in the Isle of Man. Dunrogan Limited is controlled by the trustees of The Eakin Family Trust.

The parent company, Eakin Healthcare Group Limited, has prepared consolidated accounts. The registered address of the parent company is 15 Ballystockart Road, Comber, Co Down, BT23 5QY.