

Registered number: NI060981

# **EAKIN HEALTHCARE GROUP LTD**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2020**



# **EAKIN HEALTHCARE GROUP LTD**

## **COMPANY INFORMATION**

<b>Directors</b>	T G Eakin P A Eakin J D Eakin P P MacQuillan A L Littley (Resigned 1 April 2019) N Daly (appointed 9 September 2019)
<b>Company secretary</b>	J D Eakin
<b>Registered number</b>	NI060981
<b>Registered office</b>	15 Ballystockart Road Comber Co Down BT23 5QY
<b>Independent auditors</b>	Miscampbell & Co. Chartered Accountants & Statutory Auditors 6 Annadale Avenue Belfast BT7 3JH

# **EAKIN HEALTHCARE GROUP LTD**

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# **EAKIN HEALTHCARE GROUP LTD**

## **GROUP STRATEGIC REPORT** **FOR THE YEAR ENDED 31 MARCH 2020**

### **Results**

The results for the year are set out on page 15.

The directors are satisfied with the trading performance of the Group during the year given the various domestic and international market environments in which it operates; the resultant competitor activity in its markets; and its continued investment in research and development, sales and marketing resources and IT capabilities.

### **Business review, development and performance**

The Eakin Healthcare Group has performed satisfactorily over many years and it is expected that this will continue over the medium term, despite increased competition and downward pressure on pricing in many markets which are serviced.

The directors have determined that the following key performance indicators (KPIs) covering financial performance are the most effective measure of progress towards achieving the Group's objectives: revenue and revenue growth; operating profit and operating profit growth; and cash flow. Non-financial KPIs are managed through quality reviews which incorporate production, post-production, employee, environmental and supplier standard reviews. Group companies submit to regular external audits covering quality and environmental standards.

The Group's performance during the year was ahead of plan. The Group continues to focus on its core markets in developed geographical territories. As the Group expands, there is an objective of reducing dependence on any one product or any one geographical market, satisfying a key objective of the Group. The directors expect that turnover, profit, market share and expansion of product ranges and markets will increase in the medium term based on the Group's business plans. A major focus will continue to be new product development and innovation and increased automation to protect the Group from increased competitive forces and downward pressure on pricing. The Group will actively invest in business diversification within identified parameters. The Group has recruited senior executives in the areas of research and development, human resources and information technology. Our success has been, and will be, attributed to the combination of quality of products, customer service and our people. We will continue to value our employees and to build even stronger relationships with our distributors and customers. These are covered further in the Employee Engagement and Business Relationship Statements in the Directors' Report.

# **EAKIN HEALTHCARE GROUP LTD**

## **GROUP STRATEGIC REPORT (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2020**

### **Key risks and uncertainties affecting the business**

Despite medical breakthroughs and improvements in surgical techniques, it is anticipated that the global niche market in which the Group predominately operates will continue to be sustained in the medium to long term. Competition is always present in the industry and the Group continues to ensure that its product offering is maintained at the highest standard and has increased its marketing activities to ensure that the Group's brands continue to perform well in their markets. The Group has increased its investment in research and development in recent years to ensure a flow of new product innovation. In addition, the Group continues to invest in production facilities to reduce its cost base in order to mitigate market pressures. The Group is subject to the risks associated with changes to reimbursement policies (whether public or privately funded) and this creates pricing uncertainties which the Company recognises. The Group recognises the risks associated with disruption of commercial agreements in key markets and the potential reduction in revenue which could result.

On 11 March 2020, the World Health Organisation (WHO) declared the COVID-19 influenza virus a pandemic. The Company has complied with public health guidelines as they have been issued in the UK and in the export markets we service. The short-term risks and uncertainties have included disruption to raw material and finished goods supply chains; disruption to production capabilities caused by unplanned absenteeism; and the impact of cancellation of elective surgery in key markets. To-date, these risks and uncertainties have not had any significant impact. The business continues to operate satisfactorily, ensuring continued product supply to customers, but the directors continue to closely monitor the situation.

The United Kingdom left the European Union on 31 January 2020. The UK and EU are currently negotiating the future trading relationship and the final outcome may present risks and uncertainties to the Group's business. These include the impact for tariff arrangements, regulatory affairs and the management of supply chains. The transition period is due to end on 31 December 2020 and our planning has included working with suppliers, customers and other stakeholders to provide assurances that any short-term adverse impacts are minimised. The directors will continue to monitor developments in the negotiations and their impact on our preparations.

### **Environment strategy**

The Eakin Healthcare Group is increasingly aware of the need to put environmental responsibilities higher on the agenda. There is increased emphasis therefore on energy conservation and recycling. Waste levels are closely monitored. Our strategies include the operation of an environmental management system (EMS) in compliance with BS EN ISO 14001: 2015 in our operations in Northern Ireland and investment in solar power generation resulting in a sizable proportion of the electricity needs being generated internally.

### **Employment strategy**

The Group aims to recruit, invest, nurture and retain our employees for their valued contribution in meeting the Group's business objectives. The Group proactively ensures compliance with all employee protection legislation and ensures no discrimination on the grounds of race, religion, gender, sexual orientation, disability or age. The Group employs a Group Human Resources Executive Director. Further disclosures are made in the Employee Engagement Statement in the Directors' Report.

# **EAKIN HEALTHCARE GROUP LTD**

## **GROUP STRATEGIC REPORT (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2020**

### **Statement in Compliance with Section 172 (1) of the Companies Act 2006**

On 1 April 2019, there was a restructuring of the Eakin Healthcare Group. As a result, Eakin Healthcare Limited, transferred its shareholding in Eakin Healthcare Group Limited to Eakin Investments Limited via a distribution in specie. On the same date, Eakin Healthcare Group Limited acquired the entire share capital of Eakin Healthcare Limited from Eakin Investments Limited. Subsequently on the same date, Eakin Healthcare Limited also transferred its entire shareholding in TG Eakin Limited, Pelican Healthcare Limited, Pelican Feminine Healthcare Limited, Respond Healthcare Limited and Eakin R&D Limited to Eakin Healthcare Group Limited via a dividend in specie. The stakeholders impacted by the decision were the shareholders of the companies and the Group. However, as it was an internal restructure of the Group, there was no impact on the operation of the companies within the Group. The restructure was conducted to formalise the position of Eakin Healthcare Group Limited as a management services company to the various trading companies within the Group. The long-term impact of the decision is that Eakin Healthcare Group Limited is in a better position to provide these management services and oversight to its subsidiaries. Eakin Healthcare Group Limited will prepare consolidated year end accounts which show the consolidated position of the trading companies.

On 1 April 2019, a group subsidiary company, Eakin BV, incorporated in the Netherlands, commenced trading in the direct marketing and sale of ostomy products following an agreement whereby Eakin BV acquired the goodwill of the former third party independent distributor in the Netherlands. The stakeholders impacted by this decision included the employees and the customers of Eakin BV. Key customers were visited by management personnel from the Eakin Healthcare Group to communicate the change and how this would impact them, if at all. The employees of the former distributor were notified of the decision by their employer and by Eakin Healthcare Group and all employees of the original third party distributor became employees of Eakin BV. The only supplier of the original distributor was TG Eakin Limited, and this continues to be the case for Eakin BV. As a result, there was no significant impact or change to the stakeholders. Arising from communications with key stakeholders, some suppliers negotiated new terms with Eakin BV, while employees communicated their preferences for benefits. These views were taken into consideration and were accommodated where possible. The expected long-term impact on the Group is that we anticipate increased sales and profitability. We now have closer engagement with the Netherlands market, and a trading subsidiary in the EU following Brexit.

On 30 August 2019, there was a further restructure of the Eakin Healthcare Group. Eakin Healthcare Group Limited transferred its shareholding in Eakin BV to TG Eakin Limited via a share for share exchange. This decision was made as it would create an international group of companies within the Eakin Healthcare Group, creating clearer alignment of the international businesses and a stronger reporting structure. As the transfer of ownership was intra-group, the operations of Eakin BV were not impacted and had no impact on the identified stakeholders; the employees of Eakin BV.

On 30 September 2019, following a strategic review of Pelican Feminine Healthcare Limited's activities, and that of its wholly owned subsidiary, Pelispec Limited, the decision was made to dispose of the business of the design, manufacture and sale of speculums and related accessories through the sale of the entire shareholding in Pelispec Limited to a third party. Directors identified that this decision had an impact on certain employees, customers and suppliers. Communication with employees was through face to face consultations, as well as written communication to provide any updates on the sale of the company. The employees were transferred from Pelican Feminine Healthcare Limited to Pelispec Limited. In addition, the purchaser of Pelispec Limited consulted with the employees about moving the operations to a new location of the company. Due to the confidentiality of the sale, the customers and suppliers were notified at the exchange of contracts. All customers were written to, and key customers were visited. During these visits, any concerns were addressed. A new subcontracted third party was engaged to manufacture the Pelispec products for the new owners, which impacted on the suppliers. However, as this new manufacturer used the majority of the same suppliers, we believe the impact was minimised.

On 24 February 2020, Eakin Investments Limited changed its name to Dunrogan Limited.

# **EAKIN HEALTHCARE GROUP LTD**

## **GROUP STRATEGIC REPORT (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2020**

The Strategic Report was approved by the Board on 26 June 2020 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'T G Eakin', is positioned above the printed name and title.

**T G Eakin**  
Director

The directors present their report and the financial statements for the year ended 31 March 2020.

**Directors' responsibilities statement**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

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

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

**Principal activities**

The principal activities of the Group are the research and development, manufacture, distribution and sale of disposable medical devices and ancillary products for use in ostomy, stoma, wound care, and a range of clinical and surgical procedures.

On 1 April 2019, a group subsidiary company, Eakin BV, incorporated in the Netherlands, commenced trading in the direct marketing and sale of ostomy products following an agreement whereby Eakin BV acquired the goodwill of the former third party independent distributor in the Netherlands.

On 30 September 2019, following a strategic review of the Company's activities, and that of its subsidiary, Pellispec Limited, the disposal of the business of the design, manufacture and sale of speculums and related accessories through the sale of the entire shareholding in Pellispec Limited to a third party was completed.

**Dividends paid**

Dividends paid in the year amounted to £19,550,000.

**Results**

The results for the year ended 31 March 2020, are set out on page 15.



# **EAKIN HEALTHCARE GROUP LTD**

## **DIRECTORS' REPORT (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2020**

### **Directors**

The directors who served during the year were:

T G Eakin  
P A Eakin  
J D Eakin  
P P MacQuillan  
N Daly (appointed 9 September 2019)  
A L Little (resigned 1 April 2019)

### **Ownership and Events during the Year**

On 1 April 2019, following a restructuring of the Eakin Healthcare Group, Eakin Healthcare Limited transferred its shareholding in Eakin Healthcare Group Limited to Eakin Investments Limited, via a distribution in specie. On the same date, Eakin Healthcare Group Limited acquired the entire share capital of Eakin Healthcare Limited from Eakin Investments Limited.

Subsequently on the same date, Eakin Healthcare Limited transferred its entire shareholding in TG Eakin Limited, Pelican Healthcare Limited, Pelican Feminine Healthcare Limited, Respond Healthcare Limited and Eakin R&D Limited to Eakin Healthcare Group Limited via a dividend in specie.

On 30 August 2019, Eakin Healthcare Group Limited transferred its shareholding in Eakin BV to TG Eakin Limited via a share for share exchange.

On 24 February 2020, Eakin Investments Limited changed its name to Dunrogan Limited.

### **Strategic Report**

The Strategic Report is set out on pages 1 and 2 and sets out information in respect of the results for the year; business review, including development and performance and key performance indicators; the key risks and uncertainties affecting the business; environment strategy; employment strategy and statement of compliance in accordance with section 172 (1) of the Companies Act 2006.

# **EAKIN HEALTHCARE GROUP LTD**

## **DIRECTORS' REPORT (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2020**

### **Financial risk management objectives and policies**

#### **Credit Risk:**

Credit risk arises on trade debtors. Group policy is aimed at minimising such risk and requires that credit and other terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures. Individual exposures are monitored with customers subject to credit terms to ensure that the subsidiary companies' and Group exposure to bad debts is managed.

#### **Liquidity Risk and Cash Flow Risk:**

The Group's liquidity risk is managed by the directors through daily assessment by all Group companies of required cash balances and resultant utilisation of various available facilities including overdrafts (where necessary), letters of credit and guarantees. Cash flow risk is managed through regular and timely internal reports covering sales, production and finance.

#### **Foreign Currency Risk:**

The Group has revenues and purchases spread between Sterling, Euros, US dollars, Australian Dollars, New Zealand Dollars, Swedish Krona and Japanese Yen. Risk on foreign currencies is minimised by using forward exchange contracts where appropriate and, where possible, managing sales and purchases in the same currency. This has been a successful policy in the management of currency risk. All Group companies comply with the Group Treasury Policy.

#### **Business Performance Risk:**

Business performance risk is the risk that the Company may not perform as expected due to a combination of internal and external factors or due to competitive pressures in the markets in which the Company operates. This risk is managed through a number of measures which include regular meetings with the Board of Directors; ensuring that the appropriate senior management team is in place; approval of the annual business plan and financial budget; monthly reporting against plan and prior year; effective documented financial controls; business continuity planning; measurement and reporting of financial and non-financial key performance indicators; and regular sales and business forecasting.

#### **Interest Rate Risk:**

The risks arising from changes in interest rates are kept under review by the directors in accordance with Group Treasury Policy.

#### **Regulatory Risk, including Price Risk:**

The main risks faced by the Company relate to restrictions imposed by the relevant regulatory and reimbursement bodies in the UK and export markets.

#### **Health & Safety Risk:**

The Group is committed to ensuring a safe working environment. The health and safety risks are closely managed by the Group through the strong promotion of a health and safety culture and defined health and safety policies.

### **Research and development activities**

Our research and development activities consist of endeavouring to achieve scientific and technological advances in our chosen areas of principal activity.

### **Post balance sheet events**

There have been no significant events affecting the Company since the year end that have not been disclosed in the financial statements.

# EAKIN HEALTHCARE GROUP LTD

## **DIRECTORS' REPORT (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2020**

### **Statement of compliance with the Modern Slavery Act 2015**

#### **Introduction:**

The Eakin Healthcare Group (consisting of Dunrogan Limited and its subsidiary companies) is committed to ensuring that exploitation with regards to any form of slavery or human trafficking is eliminated from society. As well as adopting responsible and ethical practices throughout our business units, we have also made a conscious commitment to ensuring that our business, including the wider supply chains, are investigated to address previously unidentified concerns with respect to the requirements of The Modern Slavery Act 2015.

#### **Organisation's Structure:**

The Eakin Healthcare Group consists of several wholly owned subsidiaries engaged in the manufacturing and distribution of ostomy and wound care appliances and surgical instruments. Dunrogan Limited is the ultimate parent company of TG Eakin Limited, Pelican Healthcare Limited, Respond Healthcare Limited, Eakin R&D Limited, Pelican Feminine Healthcare Limited (and its subsidiary Single Use Surgical Inc), Eakin Japan KK and Eakin BV and this corporate statement of compliance is valid and effective for all wholly owned subsidiaries of the parent company. The Eakin Healthcare Group operates inside and outside of the United Kingdom. The companies within the Eakin Healthcare Group have a combined annual turnover in excess of £36m.

#### **Our Business:**

Our business is organised into three principal business areas: Ostomy and Wound Care manufacturing; Surgical Instruments manufacturing; and sale and distribution of Ostomy and Ancillary Care Products.

#### **Our Supply Chain:**

Our supply chains include the sourcing of raw materials, subcontracted manufacturing activities and distribution networks related to the manufacture of medical appliances and surgical instruments. A significant proportion of our manufacturing is carried out in house under direct management control.

#### **Our Policy on Slavery and Human Trafficking:**

The Eakin Healthcare Group is endeavouring to ensure that there is no slavery or human trafficking in our supply chains or in any part of our business. Our policy reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking are not taking place anywhere in our businesses or in our supply chains.

#### **Steps taken to manage risks on Slavery and Human Trafficking:**

The steps that have been taken during the financial year to ensure that slavery and human trafficking are not taking place in any of the Group's supply chains, or in any part of its business include:

1. We continue to monitor our business units and supply chains to identify any potential areas of noncompliance or exposure.
2. We have designated personnel within the Group who oversee the Regulatory function to verify that adequate controls are in place and enforced.
3. We have ensured that all Group companies operate strict recruitment, selection and employment practices with fair, ethical and non-discriminatory employee practices regulated by our Human Resources department.
4. We have verified that all Group employees are eligible to work within their region of employment and that they are paid standardised wage rates and our appropriate benefits package with full access to grievance procedures. The Eakin Healthcare Group does not operate any zero hour contracts.
5. We have made clear our expectations of business behaviour, with regards to national or international supply chains, and we have indicated that we expect our suppliers to have suitable anti-slavery and human trafficking policies and processes.
6. We have continued the process of obtaining confirmation of compliance to the requirements of The Modern Slavery Act 2015 from all suppliers, contractors and subcontractors including confirmation that they can find no evidence of concerns within their business or supply chains.

#### **Supplier adherence to our values:**

The Eakin Healthcare Group does not tolerate slavery and human trafficking. We expect all parties in our supply chain to comply with our values. We actively seek confirmation from our supply chain third parties (UK and

# EAKIN HEALTHCARE GROUP LTD

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

overseas) that they comply with local labour laws and regulations. We have continued the process of reviewing and revising our terms and conditions of supply within the supply chains. We have completed some supplier audits covering the ethical considerations of procurement strategy for the Group and we have included detailed compliance questions on the onsite supplier audit checklists.

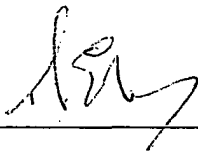
### Board of Directors' Responsibilities:

The Board of Directors understands its responsibilities and Group employees receive instructions and guidance, as needed, to fully understand their responsibility to be alert to the risks in our business and in the wider supply chains. Staff are instructed to report concerns, with management being tasked with the expectation of the Board of Directors that they take appropriate action. We have put in place appropriate frameworks to encourage the reporting of concerns and to ensure the protection of whistle blowers.

### Endorsement:

This Statement is made in compliance with section 54(1) of the Modern Slavery Act 2015 and constitutes the Eakin Healthcare Group's slavery and human trafficking statement for the financial year ending 31 March 2020. The statement was approved by the Board of Directors on 26 June 2020.

Signed on behalf of the Board of Directors on 26 June 2020:

  
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# **EAKIN HEALTHCARE GROUP LTD**

## **DIRECTORS' REPORT (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2020**

### **Employee Engagement Statement**

The Eakin Healthcare Group directors aim to engage with employees and ensure a meaningful two-way dialogue that influences the policies, procedures and decision making of the Group.

The financial and economic factors affecting the performance of the Group are communicated at location-based meetings. Internal factors such as changing product ranges and external factors such as Brexit are presented to ensure all employees are kept up to date with the changing market and the direction of the Group. This also engages employees with the overall strategy.

Updates are sent to employees by the board of Eakin Healthcare Group Limited stating and explaining any changes being implemented within the Group and how this may impact on employees.

More recently, the Covid-19 pandemic presented a number of challenges to the Group. These were actively communicated to employees through a series of formal and informal means aimed at ensuring employees were given the assurances and support appropriate to the situation.

During the year ended 31 March 2020, an employee engagement survey was sent to all employees which was completed anonymously. This gave the employees the opportunity to express their views on a wide variety of topics including benefits, Group communication, career opportunities and their awareness of strategic plans. The results of this were provided back to employees via email and workshops took place across the business with employees from all functions to discuss the results in more detail. A group wide action plan and local initiatives have been agreed. The implementation of corporate social responsibility (CSR) groups are now in place. Our people are an important part in guiding our strategy and the work we do to deliver on our commitments and goals.

Investing in our improved compensation and benefits offering enables us to strive to be a great place to work. We benchmark our offering twice per year to make sure we are above market and offer flexibility to our employees.

We have an employee assistance program in place that supports the wellbeing of our employees. It is imperative that we continue in investing in our people's wellbeing in the years to come.

The introduction of an employee human resources management system enables employees to have full view of their personal data and the management of their life cycle within the business. As we move into a new financial year, we are introducing an automated Talent Management system to manage our performance, behaviours and values as a group. Our focus is to provide a structured career path within our business, and we will be delivering continuous learning to support our people in their professional growth.

We strive to offer meaningful and challenging work, that creates opportunities to develop and grow in an environment where our people feel valued, rewarded and connected.

# EAKIN HEALTHCARE GROUP LTD

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### **Business Relationships Statement**

The Eakin Healthcare Group directors aim to engage with customers and suppliers on a regular basis to foster the Group's business relationships.

The sales team continue to develop and maintain the knowledge required to meet the specific needs of customers and distributors who are integral to generating and preserving the value of the Group

The production managers and inventory controllers manage the relationships with key suppliers, including a regular review of the production schedule.

The directors and senior managers are in regular contact with customers and suppliers to assess the impact of, and responses to, external factors such as Brexit and Covid-19.

The directors regard to the need to foster the company's business relationships with customers and suppliers was considered when making principal decisions throughout the year. This has been outlined within the Section 172 statement disclosed in the Strategic Report.

### **Future developments**

The directors aim to address management objectives; execute business strategies; and adopt effective policies which will promote the future growth and development of the Group.

### **Disclosure of information to auditors**

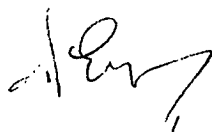
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

### **Auditors**

The auditors, Miscampbell & Co, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 26 June 2020 and signed on its behalf.



**T G Eakin**  
Director

# **EAKIN HEALTHCARE GROUP LTD**

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EAKIN HEALTHCARE GROUP LTD**

### **Opinion**

We have audited the financial statements of Eakin Healthcare Group Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2020, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is the applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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.

# **EAKIN HEALTHCARE GROUP LTD**

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EAKIN HEALTHCARE GROUP LTD**

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 or a material misstatement of the other information. 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.

### **Opinion on other matter 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 the applicable legal requirements.

### **Matter on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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 Statements on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative to do so.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.



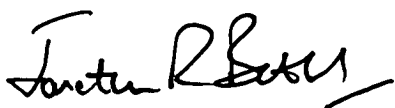
## EAKIN HEALTHCARE GROUP LTD

### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EAKIN HEALTHCARE GROUP LTD

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/auditorresponsibilities](http://www.frc.org.uk/auditorresponsibilities). This description forms part of our Auditors Report.

#### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.



Jonathan R Bethel FCA (Senior Statutory Auditor)  
for and on behalf of  
**Miscampbell & Co**

Chartered Accountants & Statutory Auditors

6 Annadale Avenue  
Belfast  
BT7 3JH

26 June 2020

# EAKIN HEALTHCARE GROUP LTD

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £	2019 £
Turnover	4	88,761,489	-
<b>Gross Profit</b>		51,976,678	-
Distribution costs		(754,148)	-
Administrative expenses		(28,584,941)	-
Other operating income	5	38,602	-
<b>Operating Profit</b>	6	22,676,191	-
Interest receivable and similar income	10	72,500	-
<b>Profit before taxation</b>		22,748,691	-
Tax on profit	11	(3,599,932)	-
<b>Profit for the year</b>		19,148,759	-

There were no recognised gains or losses for 2020 or 2019 other than those included in the consolidated statement of comprehensive income.

The notes on pages 23 to 43 form part of these financial statements

# **EAKIN HEALTHCARE GROUP LTD**

## **CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2020**

	Note	2020 £	2020 £	2019 £	2019 £
<b>Fixed assets</b>					
Intangible assets	14		22,175,710		-
Tangible assets	15		29,886,582		-
Investments	16		905,000		-
			<u>52,967,292</u>		<u>-</u>
<b>Current assets</b>					
Stocks	17	12,618,332		-	
Debtors: amounts falling due within one year	18	16,594,019		-	
Cash at bank and in hand	19	15,097,250		-	
		<u>44,309,601</u>		<u>-</u>	
<b>Creditors: amounts falling due within one year</b>	20	<u>(10,399,668)</u>		<u>-</u>	
<b>Net current assets</b>			<u>33,909,933</u>		<u>-</u>
<b>Total assets less current liabilities</b>			<u>86,877,225</u>		<u>-</u>
<b>Provisions for liabilities</b>					
Deferred taxation	22	<u>(535,407)</u>		<u>-</u>	
			<u>(535,407)</u>		<u>-</u>
<b>Net assets</b>			<u>86,341,818</u>		<u>-</u>
<b>Capital and reserves</b>					
Called up share capital	23		5,397		-
Capital redemption reserve	24		9,802		-
Foreign exchange reserve	24		(94,358)		-
Other reserves	24		19,060,353		-
Profit and loss account	24		<u>67,360,624</u>		<u>-</u>
<b>Equity attributable to owners of the parent company</b>			<u>86,341,818</u>		<u>-</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 June 2020.

T G Eakin  
Director



P A Eakin  
Director



The notes on pages 23 to 43 form part of these financial statements

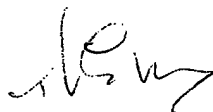
# **EAKIN HEALTHCARE GROUP LTD**

## **COMPANY BALANCE SHEET AS AT 31 MARCH 2020**

	Note	2020 £	2020 £	2019 £	2019 £
<b>Fixed assets</b>					
Tangible assets	15		19,703		30,457
Investments	16		<u>54,044,975</u>		<u>86</u>
			54,064,678		30,543
<b>Current assets</b>					
Stocks	17		-		-
Debtors: amounts falling due within one year	18	79,800		65,065	
Cash at bank and in hand	19	<u>1,022,458</u>		<u>658,624</u>	
		1,102,258		723,689	
<b>Creditors: amounts falling due within one year</b>	20	<u>(832,848)</u>		<u>(1,008,389)</u>	
<b>Net current assets/(liabilities)</b>			269,410		(284,700)
<b>Total assets less current liabilities</b>			<u>54,334,088</u>		<u>(254,157)</u>
<b>Net assets</b>			<u>54,334,088</u>		<u>(254,157)</u>
<b>Capital and reserves</b>					
Called up share capital	23		5,397		2,698
Capital redemption reserve	24		9,802		9,802
Profit and loss account	24		<u>54,318,889</u>		<u>(266,657)</u>
			<u>54,334,088</u>		<u>(254,157)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 June 2020.

T G Eakin  
Director



P A Eakin  
Director



The notes on pages 23 to 43 form part of these financial statements

**EAKIN HEALTHCARE GROUP LTD****CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital £	Capital redemption reserve £	Foreign exchange reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 April 2019	2,698	9,802	-	-	(266,657)	(254,157)
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	19,148,759	19,148,759
Currency translation differences	-	-	(85,999)	-	-	(85,999)
<b>Other comprehensive income for the year</b>	-	-	(85,999)	-	-	(85,999)
<b>Total comprehensive income for the year</b>	-	-	(85,999)	-	19,148,759	19,062,760
Dividends: Equity capital	-	-	-	-	(19,552,698)	(19,552,698)
Shares issued during the year	2,699	-	-	-	-	2,699
On acquisition of subsidiaries	-	-	(8,359)	19,060,353	68,031,220	87,083,214
<b>Total transactions with owners</b>	2,699	-	(8,359)	19,060,353	48,478,522	67,533,215
At 31 March 2020	5,397	9,802	(94,358)	19,060,353	67,360,624	86,341,818

The notes on pages 23 to 43 form part of these financial statements

# **EAKIN HEALTHCARE GROUP LTD**

## **COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020**

	<b>Called up share capital £</b>	<b>Capital redemption reserve £</b>	<b>Profit and loss account £</b>	<b>Total equity £</b>
At 1 April 2019	2,698	9,802	(266,657)	(254,157)
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	74,135,546	74,135,546
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	74,135,546	74,135,546
Dividends: Equity capital	-	-	(19,550,000)	(19,550,000)
Shares issued during the year	2,699	-	-	2,699
<b>Total transactions with owners</b>	2,699	-	(19,550,000)	(19,547,301)
At 31 March 2020	5,397	9,802	54,318,889	54,334,088

The notes on pages 23 to 43 form part of these financial statements.

## **EAKIN HEALTHCARE GROUP LTD**

### **COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019**

	<b>Called up share capital £</b>	<b>Capital redemption reserve £</b>	<b>Profit and loss account £</b>	<b>Total equity £</b>
At 1 April 2018	2,698	9,802	114,170	126,670
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	(380,827)	(380,827)
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	(380,827)	(380,827)
<b>Total transactions with owners</b>	-	-	-	-
At 31 March 2019	2,698	9,802	(266,657)	(254,157)

The notes on pages 23 to 43 form part of these financial statements.

# **EAKIN HEALTHCARE GROUP LTD**

## **CONSOLIDATED STATEMENT OF CASH FLOWS** **FOR THE YEAR ENDED 31 MARCH 2020**

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	19,148,759	-
<b>Adjustments for :</b>		
Amortisation of intangible assets	1,235,049	-
Depreciation of tangible assets	2,740,470	-
Impairments of fixed assets	878,795	-
(Profit)/Loss on disposal of assets	(234,250)	-
Government grants	(5,995)	-
Interest received	(72,500)	-
Taxation charge	3,599,932	-
(Increase)/Decrease in stocks	(12,618,332)	-
(Increase)/Decrease in debtors	(15,799,581)	-
Increase/(Decrease) in creditors	10,399,668	-
Revaluation movement on investment property	5,000	-
Cash, stock, debtors and creditors on acquisition of subsidiaries	33,324,299	-
Deferred tax on disposal	24,097	-
Corporation tax (paid)	(6,208,096)	-
<b>Net cash generated from operating activities</b>	<u>36,417,315</u>	<u>-</u>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(522,104)	-
Purchase of tangible fixed assets	(2,428,535)	-
Sale of assets	1,102,078	-
Government grants received	5,995	-
Interest received	72,500	-
<b>Net cash from investing activities</b>	<u>(1,770,066)</u>	<u>-</u>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	2,699	-
Repayment of other loans	(19,552,698)	-
<b>Net cash used in financing activities</b>	<u>(19,549,999)</u>	<u>-</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>15,097,250</u>	<u>-</u>
<b>Cash and cash equivalents at the end of year</b>	<u><u>15,097,250</u></u>	<u><u>-</u></u>
<b>Cash and cash equivalents at the end of the year comprise:</b>		
Cash at bank and in hand	<u>15,097,250</u>	<u>-</u>
	<u><u>15,097,250</u></u>	<u><u>-</u></u>

The notes on pages 23 to 43 form part of these financial statements.



## **EAKIN HEALTHCARE GROUP LTD**

### **ANALYSIS OF NET DEBT**

### **FOR THE YEAR ENDED 31 MARCH 2020**

	Cash flows £	At 31 March 2020 £
Cash at bank and in hand	15,097,250	15,097,250
Debt due within 1 year	(409,121)	(409,121)
	<u>14,688,129</u>	<u>14,688,129</u>

The notes on pages 23 to 43 form part of these financial statements.

# **EAKIN HEALTHCARE GROUP LTD**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 MARCH 2020**

### **1 General information**

Eakin Healthcare Group Limited is a private limited company limited by shares. The Company is incorporated in Northern Ireland and has the Company number NI060981. The registered office address and principal place of business is 15 Ballystockart Road, Comber, Co Down, BT23 5QY. The principal activities of the Group are the research and development, manufacture, distribution and sale of medical appliances and devices and ancillary products for use in ostomy, stoma, wound care and surgical healthcare.

### **2 Accounting policies**

#### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The financial statements are presented in Sterling (£). The level of rounding is £1.

The following principal accounting policies have been applied:

#### **2.2 Basis of consolidation**

The consolidated financial statements present the results of the Group and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

# **EAKIN HEALTHCARE GROUP LTD**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 MARCH 2020**

### **2 Accounting policies (continued)**

#### **2.3 Revenue**

Turnover comprises revenue recognised by the Group when the goods are dispatched and to the extent that it is probable that the economic benefits will flow to the Group 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 Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group 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 Group 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 Group 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.

#### **2.4 Intangible assets**

##### **Licences and customer databases**

The licences to sell ostomy products and the customer databases are recorded at the fair values, at the date of acquisition, of the consideration paid to acquire them less amortisation and any provision for impairment.

The directors have reviewed the amortisation period of the assets based on their experience of the industry and the nature of the acquisitions. In the case of licences, they have concluded that these assets should be carried at fair value less provision for impairment.

In the case of customer databases, they have concluded that the estimated economic life of these assets is 15 years and therefore the assets are being amortised on a straight line basis over this period. Provision is made for any impairment.

# **EAKIN HEALTHCARE GROUP LTD**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 MARCH 2020**

### **2 Accounting policies (continued)**

#### **2.4 Intangible assets (continued)**

##### **Other intangible assets**

###### **Brands:**

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 estimated useful lives range as follows:

Brands	-	15 & 50 years
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Patents, patent applications, registered designs and registered trademarks:

Up to 31 March 2019, patents, patent applications, registered designs and registered trademarks in the UK and other countries were valued at cost less accumulated amortisation. During the year ended 31 March 2020, there was a change in estimate in useful economic life which means patents, patent applications, registered designs and registered trademarks are expensed to the Profit and Loss Account when incurred. As a result, the patents, patent applications, registered designs and registered trademarks which were previously capitalised have been written down to nil value as at 31 March 2020.

##### **Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Profit and Loss Account over its useful economic life, which is no longer than ten years.

# **EAKIN HEALTHCARE GROUP LTD**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 MARCH 2020**

### **2 Accounting policies (continued)**

#### **2.5 Tangible fixed assets**

Tangible fixed assets under the cost model, other than investment properties, 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.

Land is not depreciated. Depreciation on other assets 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:

Freehold property -	- 2% & 5% straight line
Long-term leasehold property	- 10% straight line
Plant and machinery	- 10% to 33% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 7% to 17% straight line
Computer equipment	- 10% to 33% straight line
Computer software	- 10% to 33% straight line

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 Statement of comprehensive income.

#### **2.6 Impairment of fixed assets and goodwill**

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash generating unit (CGU) to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

#### **2.7 Valuation of 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.

# **EAKIN HEALTHCARE GROUP LTD**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 MARCH 2020**

### **2 Accounting policies (continued)**

#### **2.8 Investment property**

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Profit and Loss Account.

#### **2.9 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, where appropriate. 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.

#### **2.10 Debtors**

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

#### **2.11 Cash and cash equivalents**

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

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

#### **2.12 Financial instruments**

The Group 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 Group 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

# **EAKIN HEALTHCARE GROUP LTD**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 MARCH 2020**

### **2 Accounting policies (continued)**

#### **2.12 Financial instruments (continued)**

net basis or to realise the asset and settle the liability simultaneously.

#### **2.13 Creditors**

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

#### **2.14 Dividends**

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.

#### **2.15 Research and development**

Research and development expenditure is written off to the Profit and Loss Account in the year in which it is incurred.

#### **2.16 Foreign currency translation**

##### **Functional and presentation currency**

The Group's functional and presentational currency is pounds sterling; GBP.

##### **Transactions and balances**

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

#### **2.17 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Profit and Loss Account at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Profit and Loss Account in the same period as the related expenditure.

# **EAKIN HEALTHCARE GROUP LTD**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 MARCH 2020**

### **2 Accounting policies (continued)**

#### **2.18 Operating leases: the Group as lessee**

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.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition on 1 April 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

#### **2.19 Pensions**

##### **Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group 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 Group in independently administered funds.

#### **2.20 Interest income**

Interest income is recognised in the Profit and Loss Account using the effective interest method.

#### **2.21 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and Loss Account in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.



# **EAKIN HEALTHCARE GROUP LTD**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 MARCH 2020**

### **2 Accounting policies (continued)**

#### **2.21 Current and deferred 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.

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 Group operates and generates income.

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.

### **3 Judgments in applying accounting policies and key sources of estimation uncertainty**

In preparing these financial statements, the directors have had to make the following judgments:

- Determine whether there are indicators of impairment of the Group'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 Group 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:

- Tangible fixed assets (see note 15) 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.

# **EAKIN HEALTHCARE GROUP LTD**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 MARCH 2020**

### **4 Turnover**

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Sales	88,761,489	-
	<u>88,761,489</u>	<u>-</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	53,413,100	-
Europe (excluding United Kingdom)	17,477,274	-
Rest of the world	17,871,115	-
	<u>88,761,489</u>	<u>-</u>

### **5 Other operating income**

	2020 £	2019 £
Rental expenses	(7,609)	-
Rent receivable	40,191	-
Government grants	5,995	-
Sundry income	25	-
	<u>38,602</u>	<u>-</u>

### **6 Operating profit**

The operating profit is stated after charging:

	2020 £	2019 £
Research & development charged as an expense	1,253,300	-
(Gain)/loss on foreign currency	55,733	-
Depreciation of tangible fixed assets	2,740,470	-
Amortisation of intangible assets, including goodwill	1,235,049	-
Impairment of intangible assets	507,490	-
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	89,877	-
Defined contribution pension cost	<u>498,295</u>	<u>-</u>

# **EAKIN HEALTHCARE GROUP LTD**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

### **7 Auditors' remuneration**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	73,450	9,750
	<u>73,450</u>	<u>9,750</u>

### **8 Employees**

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Wages and salaries	14,530,176	-
Social security costs	1,309,353	-
Cost of defined contribution scheme	498,295	-
	<u>16,337,824</u>	<u>-</u>

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

	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
Directors	4	4
Production & Warehouse	176	-
Research & Development	17	-
Sales, Marketing, Management & Administration	170	8
	<u>367</u>	<u>12</u>

### **9 Directors' remuneration**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Directors' emoluments	979,207	1,237,089
	<u>979,207</u>	<u>1,237,089</u>

The highest paid director received remuneration of £346,770 (2019 - £328,120).

# **EAKIN HEALTHCARE GROUP LTD**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 MARCH 2020**

### **10 Interest receivable**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Other Interest receivable	72,500	-
	<u>72,500</u>	<u>-</u>

### **11 Taxation**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Corporation Tax</b>		
Current tax on profits for the year	3,527,572	-
	<u>3,527,572</u>	<u>-</u>
<b>Total current tax</b>	<u>3,527,572</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	72,360	(1,436)
<b>Total deferred tax</b>	<u>72,360</u>	<u>(1,436)</u>
<b>Taxation on profit on ordinary activities</b>	<u>3,599,932</u>	<u>(1,436)</u>

# **EAKIN HEALTHCARE GROUP LTD**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 MARCH 2020**

### **11 Taxation (continued)**

#### **Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>22,748,691</u>	<u>(382,263)</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	4,322,251	(72,630)
<b>Effects of:</b>		
Intangible amortisation on consolidation	107,165	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	18,811	4,716
Capital allowances for year in excess of depreciation	(333,061)	5,253
Non deductible amortisation on intangible assets	117,252	-
Short term timing difference leading to an increase (decrease) in taxation	72,360	(1,436)
Revaluation of investments	950	-
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(484,053)	(14,765)
Unrelieved tax losses carried forward	96,829	-
Patent box deduction	(829,479)	-
Impairment	158,447	-
Tax at higher rate on subsidiary	27,000	-
Disposal of Intangible Asset	162,725	-
Group relief surrendered	107,082	77,426
Profit element on inter-company stock (net of other consolidation adjustments)	55,653	-
<b>Total tax charge for the year</b>	<u><u>3,599,932</u></u>	<u><u>(1,436)</u></u>

#### **Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

### **12 Parent company profit for the year**

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit/(loss) after tax of the parent Company for the year was £74,135,546 (2019 -£(380,827)).

### **13 Dividends**

	2020 £	2019 £
Dividends paid on A Ordinary shares	18,842,597	-
Dividends paid on B Ordinary shares	710,101	-
	<u><u>19,552,698</u></u>	<u><u>-</u></u>

# **EAKIN HEALTHCARE GROUP LTD**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

### **14 Intangible assets**

<b>Group</b>	<b>Licence. £</b>	<b>Patient Database £</b>	<b>Patents &amp; trademarks £</b>	<b>Brand name £</b>	<b>Goodwill £</b>	<b>Total £</b>
<b>Cost</b>						
Additions	-	-	142,707	-	379,397	522,104
Disposals	-	-	-	(1,552,600)	-	(1,552,600)
On acquisition of subsidiaries	11,066,458	6,583,827	467,811	10,751,871	13,128,798	41,998,765
Impairment	-	-	(534,802)	-	-	(534,802)
At 31 March 2020	11,066,458	6,583,827	75,716	9,199,271	13,508,195	40,433,467
<b>Amortisation</b>						
Charge for the year on owned assets	-	438,922	22,002	300,865	473,260	1,235,049
On disposals	-	-	-	(696,150)	-	(696,150)
Impairment charge	-	-	(33,673)	-	6,361	(27,312)
On acquisition of subsidiaries	-	2,971,803	87,387	3,995,571	10,691,409	17,746,170
At 31 March 2020	-	3,410,725	75,716	3,600,286	11,171,030	18,257,757
<b>Net book value</b>						
At 31 March 2020	11,066,458	3,173,102	-	5,598,985	2,337,165	22,175,710
At 31 March 2019	-	-	-	-	-	-

# **EAKIN HEALTHCARE GROUP LTD**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 MARCH 2020**

### **15 Tangible assets**

<b>Group</b>	<b>Freehold property £</b>	<b>Short-term leasehold property £</b>	<b>Plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Fixtures and Fittings £</b>
<b>Cost or valuation</b>					
Additions	341,566	7,604	732,554	-	113,969
Acquisition of subsidiary	19,105,831	136,035	26,885,958	118,401	2,273,332
Disposals	-	-	(5,078)	(13,900)	-
Impairment	-	-	(3,453)	-	-
Transfer between classes	-	-	4,882	-	-
At 31 March 2020	<u>19,447,397</u>	<u>143,639</u>	<u>27,614,863</u>	<u>104,501</u>	<u>2,387,301</u>
<b>Depreciation</b>					
Charge for period on owned assets	465,528	15,505	1,775,012	17,253	161,921
Disposals	-	-	(2,694)	(7,298)	-
Acquisition of subsidiary	2,998,539	40,954	17,609,383	71,282	1,702,000
At 31 March 2020	<u>3,464,067</u>	<u>56,459</u>	<u>19,381,701</u>	<u>81,237</u>	<u>1,863,921</u>
<b>Net book value</b>					
At 31 March 2020	<u>15,983,330</u>	<u>87,180</u>	<u>8,233,162</u>	<u>23,264</u>	<u>523,380</u>
At 31 March 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

# **EAKIN HEALTHCARE GROUP LTD**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 MARCH 2020**

### **15 Tangible assets (continued)**

<b>Group</b>	<b>Computer equipment £</b>	<b>Assets not commissioned £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
Additions	337,975	894,867	2,428,535
Acquisition of subsidiary	3,053,179	3,214,392	54,787,128
Disposals	(2,460)	-	(21,438)
Impairment	-	(367,852)	(371,305)
Transfer between classes	-	(4,882)	-
At 31 March 2020	<u>3,388,694</u>	<u>3,736,525</u>	<u>56,822,920</u>
<b>Depreciation</b>			
Charge for period on owned assets	305,251	-	2,740,470
Disposals	(68)	-	(10,060)
Acquisition of subsidiary	1,783,770	-	24,205,928
At 31 March 2020	<u>2,088,953</u>	<u>-</u>	<u>26,936,338</u>
<b>Net book value</b>			
At 31 March 2020	<u>1,299,741</u>	<u>3,736,525</u>	<u>29,886,582</u>
At 31 March 2019	<u>-</u>	<u>-</u>	<u>-</u>

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

	<b>2020 £</b>	<b>2019 £</b>
Freehold	15,983,330	-
Long leasehold	87,180	-
	<u>16,070,510</u>	<u>-</u>



# **EAKIN HEALTHCARE GROUP LTD**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 MARCH 2020**

### **15 Tangible assets (continued)**

<b>Company</b>	<b>Motor vehicles £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 April 2019	45,815	14,259	60,074
Additions	-	1,030	1,030
Disposals	-	-	-
At 31 March 2020	45,815	15,289	61,104
<b>Depreciation</b>			
At 1 April 2019	20,044	9,573	29,617
Charge for period on owned assets	8,590	3,194	11,784
Disposals	-	-	-
At 31 March 2020	28,634	12,767	41,401
At 31 March 2020	17,181	2,522	19,703
At 31 March 2019	25,771	4,686	30,457

### **16 Fixed asset investments**

<b>Group</b>	<b>Freehold investment property £</b>
<b>Cost or valuation</b>	
Acquisition of subsidiary	910,000
Revaluations	(5,000)
At 31 March 2020	905,000

The 2020 revaluations were made by Tim Martin, Estate Agents, Castle Street, Comber on an open market value for existing basis.

# **EAKIN HEALTHCARE GROUP LTD**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 MARCH 2020**

### **16 Fixed asset Investments (continued)**

<b>Company</b>	<b>Investment in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 April 2019	86
Additions	<u>54,044,889</u>
At 31 March 2020	<u>54,044,975</u>

### **Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Country of Incorporation</b>	<b>Class of shares</b>	<b>Holding</b>
T G Eakin Limited	UK	£1 Ordinary	100%
Pelican Healthcare Limited	UK	£1 Ordinary	100%
Pelican Feminine Healthcare Limited	UK	£1 Ordinary	100%
Eakin R & D Limited	UK	£1 Ordinary	100%
Respond Healthcare Limited	UK	£1 Ordinary	100%
Eakin Japan KK	Japan	100 JPY Ordinary	100%
Single Use Surgical Inc	USA	Common Stock	100%
Eakin BV	Netherlands	€1 Ordinary	
Eakin Healthcare Limited	Isle of Man	£0.01 A & B Ordinary	100%
Cliffe Medical Limited	UK	£1 Ordinary	100%
Single Use Surgical Limited	UK	£1 Ordinary	100%
Ostomart Limited	UK	£1 Ordinary	100%
Hi-Line Limited	UK	£1 Ordinary	100%
Labont Limited	UK	£1 Ordinary	100%
Nightingale Limited	UK	£1 Ordinary	100%
Waller Limited	UK	£1 Ordinary	100%
Respond Plus Limited	UK	£1 Ordinary	100%
Respond Plus Healthcare Limited	UK	£1 Ordinary	100%
Respond Healthcare Scotland Limited	UK	£1 Ordinary	100%

# **EAKIN HEALTHCARE GROUP LTD**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 MARCH 2020**

### **17 Stocks**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Raw materials and consumables	4,404,014	-	-	-
Work in progress (goods to be sold)	796,994			
Finished goods and goods for resale	7,417,324			
	<b>12,618,332</b>	<b>-</b>	<b>-</b>	<b>-</b>

### **18 Debtors**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Trade debtors	15,210,608	-	-	-
Amounts owed by group undertakings	-	-	50,789	39,610
Other debtors	899,888	-	316	25
Prepayments and accrued income	483,523	-	26,624	24,800
Deferred taxation	-	-	2,071	630
	<b>16,594,019</b>	<b>-</b>	<b>79,800</b>	<b>65,065</b>

### **19 Cash and cash equivalents**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Cash at bank and in hand	15,097,250	-	1,022,458	658,624
	<b>15,097,250</b>	<b>-</b>	<b>1,022,458</b>	<b>658,624</b>

### **20 Creditors: Amounts falling due within one year**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Trade creditors	4,128,618	-	24,339	11,784
Corporation tax	-	-	-	-
Amounts owed to group undertakings	-	-	29,936	41,470
Other taxation and social security	1,511,147	-	-	-
Other creditors	959,686	-	19,684	19,544
Accruals and deferred income	3,800,217	-	758,889	935,591
	<b>10,399,668</b>	<b>-</b>	<b>832,848</b>	<b>1,008,389</b>

# **EAKIN HEALTHCARE GROUP LTD**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 MARCH 2020**

### **21 Financial instruments**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	16,002,250	-	1,022,458	658,624
Financial assets that are debt instruments measured at amortised cost	15,250,608	-	-	-
	<u>31,252,858</u>	<u>-</u>	<u>1,022,458</u>	<u>658,624</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	(8,479,400)	-	-	-
	<u>(8,479,400)</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

Financial assets measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

### **22 Deferred taxation**

#### **Group**

	<b>2020 £</b>	<b>2019 £</b>
Charged to profit and loss	(72,360)	-
Arising on business combinations	(438,950)	-
Eliminated on disposal	(24,097)	-
At end of year	<u>(535,407)</u>	<u>-</u>

	<b>Group 2020 £</b>	<b>Group 2019</b>
Accelerated capital allowances	(745,196)	-
Profit on intra group stock	209,789	-
	<u>(535,407)</u>	<u>-</u>

#### **Company**

	<b>2020 £</b>	<b>2019 £</b>
At beginning of year	630	(806)
Charged to profit and loss	1,441	1,436
At end of year	<u>2,071</u>	<u>630</u>

	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Accelerated capital allowances	2,071	630
	<u>2,071</u>	<u>630</u>

# **EAKIN HEALTHCARE GROUP LTD**

## **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 MARCH 2020**

### **23 Share capital**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Shares classified as equity</b>		
<b>Authorised, allotted, called up and fully paid</b>		
520,088 (2019 - 260,044) Class A Ordinary shares of £0.01 each	5,201	2,600
19,600 (2019 - 9,800) Class B Ordinary shares of £0.01 each	196	98
	<b>5,397</b>	<b>2,698</b>

Shares issued on group reorganisation.

### **24 Reserves**

#### **Capital redemption reserve**

Reserve for the purchase of the company's own shares.

#### **Foreign exchange reserve**

Reserve for exchange differences arising on inter-company loans and opening revenue reserves. Any repayment of inter-company loans will give rise to a profit /loss on exchange in the holding company's profit and loss account.

#### **Other reserves**

Merger relief created on a group reorganisation.

#### **Profit and loss account**

Includes all current and prior year retained profits and losses.

### **25 Capital commitments**

At 31 March 2020 the Company had capital commitments of £978,228.

## **EAKIN HEALTHCARE GROUP LTD**

### **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 MARCH 2020**

#### **26 Commitments under operating leases**

At 31 March 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>2020</b> <b>£</b>
<b>Motor vehicles and other</b>	
Not later than 1 year	167,904
Later than 1 year and not later than 5 years	171,164
	<u>339,068</u>
	<b>2020</b> <b>£</b>
<b>Land and buildings</b>	
Not later than 1 year	86,759
Later than 1 year and not later than 5 years	239,751
Later than 5 years	52,600
	<u>379,110</u>

#### **27 Ultimate parent undertaking and 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.