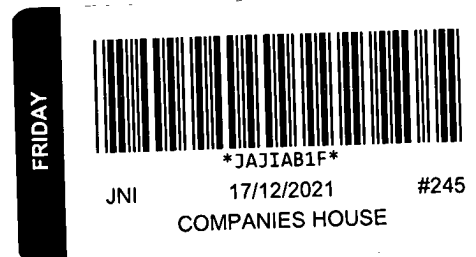


Registered number: NI060981

EAKIN HEALTHCARE GROUP LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021



EAKIN HEALTHCARE GROUP LTD

COMPANY INFORMATION

Directors	T G Eakin P A Eakin J D Eakin P P MacQuillan N Daly
Company secretary	J D Eakin
Registered number	NI060981
Registered office	15 Ballystockart Road Comber Co Down BT23 5QY
Independent auditors	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 2021**

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 which was dominated by the impact of the Covid-19 global pandemic; and against the backdrop of the 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.

A highlight of the year was the diversification into the critical care, perioperative and neonatal respiratory & anaesthesia market through the acquisition of Armstrong Medical Limited in December 2020.

The directors express their appreciation to all staff members across the Group for their contribution during the year and especially for their response to Covid-19 in ensuring production was maintained, supply chains secured and customer needs serviced.

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 seek to invest in business diversification within identified parameters. The Group has recruited senior executives in the areas of operations, 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 2021**

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.

In 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 the international markets we operate in or service. The short-term risks and uncertainties have included disruption to supply chains and disruption to the business caused by unplanned absenteeism. The postponement of elective surgery did impact on the number of new ostomy referrals during the year. Nevertheless, we have recently observed a resumption of surgical activity and the business continues to operate satisfactorily, ensuring continued product supply and service to customers, but the directors continue to closely monitor the situation.

The United Kingdom left the European Union on 31 January 2020 and the transition period ended on 31 December 2020 with the conclusion of the Trade & Cooperation Agreement. The risks and uncertainties to the Group's business include the impact for regulatory documentation and the management of supply chains but, to-date, any adverse impacts have been manageable.

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 2021**

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

On 17 December 2020, Eakin Healthcare Group Limited acquired the entire issued share capital of Armstrong Medical Limited; a company incorporated in Northern Ireland. The principal activity of Armstrong Medical Limited (Armstrong Medical) is the manufacture, distribution and selling of critical care, perioperative and neonatal respiratory & anaesthesia products for the UK and export markets. The cash consideration was discharged through a loan to Eakin Healthcare Group Limited from the parent company, Dunrogan Limited.

The acquisition addressed the objectives of reducing dependence on any one product or any one geographical market; satisfying a key objective of the Group, and to actively seek to invest in business diversification within identified parameters.

The stakeholders impacted by the decision were the employees, customers and suppliers of Armstrong Medical and the acquiring shareholder. There was no impact on the operations of the other companies within the Group.

Communication with employees of Armstrong Medical was through face-to face-consultations and written communications which were attended by senior executives of the Group's HR department to explain the rationale for the transaction and to give them appropriate assurances. Customers of Armstrong Medical were contacted both by management of Armstrong Medical and Eakin Healthcare Group; again to explain the rationale for the transaction and to give them appropriate assurances. Suppliers were also contacted for the same reason.

In the short-term, we have strengthened the management team within Armstrong Medical through a number of senior appointments. The long-term impact of the decision to acquire Armstrong Medical is that Eakin Healthcare Group is more diversified in its operations both within the UK and internationally and we anticipate increased sales and profit growth.

The Strategic Report was approved by the Board on 25 June 2021 and signed on its behalf.



T G Eakin
Director

EAKIN HEALTHCARE GROUP LTD

DIRECTORS' REPORT **FOR THE YEAR ENDED 31 MARCH 2021**

The directors present their report and the financial statements for the year ended 31 March 2021.

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 activity of the Company is that of a holding company and to provide management support services to companies within the Eakin Healthcare Group.

The principal activities of the Group are the research and development, manufacture, distribution and sale of appliances and ancillary products for use in ostomy, stoma care and wound care; a range of clinical and surgical procedures; and for use in critical care, perioperative and neonatal respiratory and anaesthesia products.

Events during the Year

On 16 September 2020, a new subsidiary company, Eakin France SAS, was incorporated in France.

On 17 December 2020, the Company acquired the entire issued share capital of Armstrong Medical Limited; a company incorporated in Northern Ireland. The cash consideration was discharged through a loan from the Company's parent company.

Results and dividends

The results for the year ended 31 March 2021, are set out on page 15.

Dividends paid in the year amounted to £13,500,000 (2020: £19,550,000).

EAKIN HEALTHCARE GROUP LTD

DIRECTORS' REPORT (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

Directors

The directors who served during the year were:

T G Eakin
P A Eakin
J D Eakin
P P MacQuillan
N Daly

Ownership

The Company is a wholly owned subsidiary of Dunrogan Limited; incorporated in the Isle of Man.

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 if considered 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, including disruption to the business, 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, disruption and response 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.

EAKIN HEALTHCARE GROUP LTD

DIRECTORS' REPORT (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

Strategic Report

The Strategic Report is set out on pages 1 to 3 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.

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.

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.

EAKIN HEALTHCARE GROUP LTD

DIRECTORS' REPORT (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

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 and the Covid-19 pandemic are presented to ensure all employees are kept up to date with changing market conditions; travel and workplace restrictions; 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.

During the year, 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. The feedback from employees on how the Group has approached the Covid-19 pandemic has been positive.

Recently, 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, while learning and development programs including the Management Training Program, the Leadership Development Program and the Graduate Program have been launched. 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. During the year, the Group launched a Group-wide Mental Health Strategy with coaching for managers and 1 to 1 mental health support for employees.

The introduction of an employee human resources management information system enables employees to have full view of their personal data and the management of their life cycle within the business. We introduced an automated Talent Management system to manage our performance and behaviours 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. In this context, the Group recently launched a Leadership Development Programme and also a Management Development Programme.

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 2021**

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 operations 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.

EAKIN HEALTHCARE GROUP LTD

DIRECTORS' REPORT (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

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 medical and surgical appliances and instruments. Dunrogan Limited is the ultimate parent company of TG Eakin Limited, Pelican Healthcare Limited, Respond Healthcare Limited, Eakin R&D Limited, Eakin Surgical Limited (and its subsidiary Single Use Surgical Inc), Eakin Japan KK, Eakin BV, Eakin France SAS and Armstrong Medical Limited 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 a number of principal business areas: Ostomy and Wound Care manufacturing; Surgical Instruments manufacturing; sale and distribution of Ostomy and Ancillary Care products and manufacture, distribution and selling of Critical Care, Perioperative and Neonatal Respiratory & Anaesthesia 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 non-compliance 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.

EAKIN HEALTHCARE GROUP LTD

DIRECTORS' REPORT (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

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 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 2021. The statement was approved by the Board of Directors on 25 June 2021.

Signed on behalf of the Board of Directors on 25 June 2021:



EAKIN HEALTHCARE GROUP LTD

DIRECTORS' REPORT (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

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 25 June 2021 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 2021, 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 2021 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material

EAKIN HEALTHCARE GROUP LTD

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

misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 4, 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 Auditors' 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

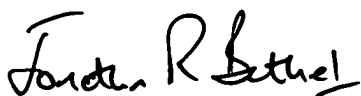
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulation in the United Kingdom;
- understood how the Company is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas;
- assessed the vulnerability of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by assuming revenue recognition to be a fraud risk; and
- based on this understanding our audit procedures were designed to identify non-compliance with such laws and regulations.

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

25 June 2021

EAKIN HEALTHCARE GROUP LTD

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Turnover	4	102,119,323	88,761,489
Gross Profit		58,905,312	51,976,678
Distribution costs		(1,984,583)	(754,148)
Administrative expenses		(34,584,772)	(28,584,941)
Other operating income	5	384,786	38,602
Operating Profit	6	22,720,743	22,676,191
Interest receivable and similar income	10	11,209	72,500
Interest payable and similar expenses	11	(470,112)	-
Profit before taxation		22,261,840	22,748,691
Tax on profit	12	(4,524,666)	(3,599,932)
Profit for the year		17,737,174	19,148,759

There were no recognised gains or losses for 2021 or 2020 other than those included in the consolidated statement of comprehensive income.

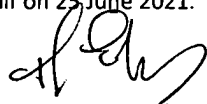
The notes on pages 24 to 45 form part of these financial statements

EAKIN HEALTHCARE GROUP LTD

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Intangible assets	15		58,647,510		22,175,710
Tangible assets	16		40,319,373		29,886,582
Investments	17		842,500		905,000
			<u>99,809,383</u>		<u>52,967,292</u>
Current assets					
Stocks	18	20,887,686		12,618,332	
Debtors: amounts falling due within one year	19	16,637,437		16,594,019	
Cash at bank and in hand	20	<u>26,213,798</u>		<u>15,097,250</u>	
		63,738,921		44,309,601	
Creditors: amounts falling due within one year	21	<u>(71,584,722)</u>		<u>(10,399,668)</u>	
Net current assets			<u>(7,845,801)</u>		<u>33,909,933</u>
Total assets less current liabilities			<u>91,963,582</u>		<u>86,877,225</u>
Provisions for liabilities					
Deferred taxation	23	<u>(1,218,233)</u>		<u>(535,407)</u>	
			<u>(1,218,233)</u>		<u>(535,407)</u>
Net assets			<u>90,745,349</u>		<u>86,341,818</u>
Capital and reserves					
Called up share capital	24		5,397		5,397
Capital redemption reserve	25		9,802		9,802
Foreign exchange reserve	25		71,999		(94,358)
Other reserves	25		19,060,353		19,060,353
Profit and loss account	25		<u>71,597,798</u>		<u>67,360,624</u>
Equity attributable to owners of the parent company			<u>90,745,349</u>		<u>86,341,818</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 June 2021.



T G Eakin
Director

P A Eakin
Director



The notes on pages 24 to 45 form part of these financial statements

EAKIN HEALTHCARE GROUP LTD

COMPANY BALANCE SHEET AS AT 31 MARCH 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	16		13,217		19,703
Investments	17		<u>111,178,029</u>		<u>54,044,975</u>
			111,191,246		54,064,678
Current assets					
Stocks	18		-		-
Debtors: amounts falling due within one year	19	2,486,535		79,800	
Cash at bank and in hand	20	<u>7,467,958</u>		<u>1,022,458</u>	
		9,954,493		1,102,258	
Creditors: amounts falling due within one year	21	<u>(62,426,195)</u>		<u>(832,848)</u>	
Net current assets/(liabilities)			<u>(52,471,702)</u>		<u>269,410</u>
Total assets less current liabilities			58,719,544		54,334,088
Net assets			<u>58,719,544</u>		<u>54,334,088</u>
Capital and reserves					
Called up share capital	24		5,397		5,397
Capital redemption reserve	25		9,802		9,802
Profit and loss account	25		<u>58,704,345</u>		<u>54,318,889</u>
			<u>58,719,544</u>		<u>54,334,088</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 June 2021.


T G Eakin
 Director


P A Eakin
 Director

The notes on pages 24 to 45 form part of these financial statements

EAKIN HEALTHCARE GROUP LTD**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital £	Capital redemption reserve £	Foreign exchange reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 April 2020	5,397	9,802	(94,358)	19,060,353	67,360,624	86,341,818
Comprehensive income for the year						
Profit for the year	-	-	-	-	17,737,174	17,737,174
Currency translation differences	-	-	166,357	-	-	166,357
Other comprehensive income for the year	-	-	166,357	-	-	166,357
Total comprehensive income for the year	-	-	166,357	-	17,737,174	17,903,531
Dividends: Equity capital	-	-	-	-	(13,500,000)	(13,500,000)
Total transactions with owners	-	-	-	-	(13,500,000)	(13,500,000)
At 31 March 2021	5,397	9,802	71,999	19,060,353	71,597,798	90,745,349

The notes on pages 24 to 45 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)
Comprehensive income for the year						
Profit for the year	-	-	-	-	19,148,759	19,148,759
Currency translation differences	-	-	(85,999)	-	-	(85,999)
Other comprehensive income for the year	-	-	(85,999)	-	-	(85,999)
Total comprehensive income for the year	-	-	(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
Total transactions with owners	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 24 to 45 form part of these financial statements

EAKIN HEALTHCARE GROUP LTD

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 April 2020	5,397	9,802	54,318,889	54,334,088
Comprehensive income for the year				
Profit for the year	-	-	17,885,456	17,885,456
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	17,885,456	17,885,456
Dividends: Equity capital	-	-	(13,500,000)	(13,500,000)
Total transactions with owners	-	-	(13,500,000)	(13,500,000)
At 31 March 2021	5,397	9,802	58,704,345	58,719,544

The notes on pages 24 to 45 form part of these financial statements.

EAKIN HEALTHCARE GROUP LTD

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

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 April 2019	2,698	9,802	(266,657)	(254,157)
Comprehensive income for the year				
Profit for the year	-	-	74,135,546	74,135,546
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	74,135,546	74,135,546
Dividends: Equity capital	-	-	(19,550,000)	(19,550,000)
Shares issued during the year	2,699	-	-	2,699
Total transactions with owners	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 24 to 45 form part of these financial statements.

EAKIN HEALTHCARE GROUP LTD

CONSOLIDATED STATEMENT OF CASH FLOWS **FOR THE YEAR ENDED 31 MARCH 2021**

	2021	2020
	£	£
Cash flows from operating activities		
Profit for the financial year	17,737,174	19,148,759
Adjustments for :		
Amortisation of intangible assets	3,767,815	1,235,049
Depreciation of tangible assets	3,304,376	2,740,470
Impairments of fixed assets	471,707	878,795
(Profit)/Loss on disposal of assets	33,631	(234,250)
Government grants	(257,500)	(5,995)
Interest paid	470,112	-
Interest received	(11,209)	(72,500)
Taxation charge	4,524,666	3,599,932
(Increase)/Decrease in stocks	(8,269,354)	(12,618,332)
(Increase)/Decrease in debtors	(810,638)	(15,799,581)
Increase/(Decrease) in creditors	685,054	10,399,668
Increase/(Decrease) in amounts owed to group company	60,500,000	-
Revaluation movement on investment property	(52,500)	5,000
Cash, stock, debtors and creditors on acquisition of subsidiaries	-	33,324,299
Foreign exchange translation	166,357	-
Deferred tax on disposal	-	24,097
Assets expensed to Profit & Loss Account	3,200	-
Corporation tax (paid)	(4,537,950)	(6,208,096)
Net cash generated from operating activities	77,724,941	36,417,315
Cash flows from investing activities		
Purchase of intangible fixed assets	(40,027,574)	(522,104)
Deferred tax acquired on acquisition of subsidiary	600,436	-
Purchase of tangible fixed assets	(8,007,521)	(2,428,535)
Sale of assets	502,776	1,102,078
Purchase of assets on acquisition of subsidiary	(6,953,001)	-
Sale of unlisted and other investments	115,000	-
Government grants received	257,500	5,995
Interest received	11,209	72,500
Corporation tax on acquisition of subsidiary	862,894	-
Net cash from investing activities	(52,638,281)	(1,770,066)
Cash flows from financing activities		
Issue of ordinary shares	-	2,699
Repayment of other loans	(13,500,000)	(19,552,698)
Interest paid	(470,112)	-
Net cash used in financing activities	(13,970,112)	(19,549,999)
Net increase/(decrease) in cash and cash equivalents	11,116,548	15,097,250
Cash and cash equivalents at beginning of year	15,097,250	-
Cash and cash equivalents at the end of year	26,213,798	15,097,250
Cash and cash equivalents at the end of the year comprise:		
Cash at bank and in hand	26,213,798	15,097,250
	<u>26,213,798</u>	<u>15,097,250</u>

The notes on pages 24 to 45 form part of these financial statements.

EAKIN HEALTHCARE GROUP LTD

ANALYSIS OF NET DEBT **FOR THE YEAR ENDED 31 MARCH 2021**

	At 1 April 2020	Cash flows	Acquisition and disposal of subsidiaries	At 31 March 2021
	£	£	£	£
Cash at bank and in hand	15,097,250	68,249,692	(57,133,144)	26,213,798
Debt due within 1 year	(409,121)	7,150	-	(401,971)
	14,688,129	68,256,842	(57,133,144)	25,811,827

The notes on pages 24 to 45 form part of these financial statements.

EAKIN HEALTHCARE GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2021**

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, surgical and respiratory 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 2021**

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

Intangible assets recognised relate to licences, customer databases, brands, trade names and regulatory approvals acquired through business combinations.

All 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 unless otherwise stated. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years. 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.

The company will recognise an intangible asset arising from development costs if it can demonstrate all of the criteria as listed in Note 2.13.

EAKIN HEALTHCARE GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2021**

2 Accounting policies (continued)

2.4 Intangible assets (continued)

The estimated useful lives range as follows:

Customer Databases	-	15 years
Brands	-	15 & 34 years
Trade Names		20 years
Regulatory Approvals		5, 10 & 20 years
Development Costs		5 years

If there are indicators that the residual value or useful life of an intangible asset has changed since the most recent annual reporting period previous estimates shall be reviewed and, if current expectations differ, the residual value, amortisation method or useful life shall be amended. Changes in the expected useful life or the expected pattern of consumption of benefit shall be accounted for as a change in accounting estimate.

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 2021**

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	- 6.67% to 33% straight line
Motor vehicles	- 20% to 25% straight line
Fixtures and fittings	- 6.67% to 16.67% 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 2021**

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

EAKIN HEALTHCARE GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2021**

2 Accounting policies (continued)

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. 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.

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. Capital 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 2021**

2 Accounting policies (continued)

2.18 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalized as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.19 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.

2.20 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.

2.21 Interest income

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

2.22 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

EAKIN HEALTHCARE GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2021**

2 Accounting policies (continued)

2.23 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.

2.24 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.

EAKIN HEALTHCARE GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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.
- Development expenditure is capitalised in accordance with the accounting policy given above. Initial capitalization of costs is based on management's judgment that technical and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalized management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.
- 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 16) 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.
- Intangible assets including licences, customer databases, brands, trade names and regulatory approvals have been valued based on estimations of the future performance of the relevant companies acquired which gave rise to these intangibles, estimated future tax rates and estimated royalty rates. These intangible assets will be reviewed for indicators of impairment annually.
- Where there are indicators of impairment of individual assets, the company performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the forecasts for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

EAKIN HEALTHCARE GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2021**

4 Turnover

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

	2021	2020
	£	£
Sales	102,119,323	88,761,489
	<u>102,119,323</u>	<u>88,761,489</u>

Analysis of turnover by country of destination:

	2021	2020
	£	£
United Kingdom	58,518,702	53,413,100
Europe (excluding United Kingdom)	21,421,633	17,477,274
Rest of the world	22,178,988	17,871,115
	<u>102,119,323</u>	<u>88,761,489</u>

5 Other operating income

	2021	2020
	£	£
Rental expenses	(5,260)	(7,609)
Rent receivable	37,353	40,191
Government grants	257,500	5,995
Sundry income	9,978	25
RDEC credit	85,215	-
	<u>384,786</u>	<u>38,602</u>

6 Operating profit

The operating profit is stated after charging:

	2021	2020
	£	£
Research & development charged as an expense	1,426,281	1,253,300
(Gain)/loss on foreign currency	346,183	55,733
Depreciation of tangible fixed assets	3,304,376	2,740,470
Amortisation of intangible assets, including goodwill	3,767,815	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	93,100	89,877
Defined contribution pension cost	<u>748,115</u>	<u>498,295</u>

EAKIN HEALTHCARE GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2021**

7 Auditors' remuneration

	2021	2020
	£	£
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	93,100	67,150
	<u>93,100</u>	<u>67,150</u>

8 Employees

Group

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

	2021	2020
	£	£
Wages and salaries	19,539,468	14,530,176
Social security costs	1,986,697	1,309,353
Cost of defined contribution scheme	748,115	498,295
	<u>22,274,280</u>	<u>16,337,824</u>

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

	Group	Group
	2021	2020
	No.	No.
Directors	4	4
Production & Warehouse	217	176
Research & Development	21	17
Sales, Marketing, Management & Administration	310	170
	<u>552</u>	<u>367</u>

9 Directors' remuneration

	2021	2020
	£	£
Directors' emoluments	1,337,560	979,207
	<u>1,337,560</u>	<u>979,207</u>

The highest paid director received remuneration of £361,583 (2020 - £346,770).

EAKIN HEALTHCARE GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2021**

10	Interest receivable	2021	2020
		£	£
	Other Interest receivable	11,209	72,500
		<u>11,209</u>	<u>72,500</u>
11	Interest payable and similar expenses	2021	2020
		£	£
	Other loan interest payable	470,112	-
		<u>470,112</u>	<u>-</u>
12	Taxation Group	2021	2020
		£	£
	Corporation Tax		
	Current tax on profits for the year	4,443,245	3,527,572
	Adjustments in respect of previous periods	(969)	-
		<u>4,442,276</u>	<u>3,527,572</u>
	Total current tax	<u>4,442,276</u>	<u>3,527,572</u>
	Deferred tax		
	Origination and reversal of timing differences	82,390	72,360
	Total deferred tax	<u>82,390</u>	<u>72,360</u>
	Taxation on profit on ordinary activities	<u>4,524,666</u>	<u>3,599,932</u>

EAKIN HEALTHCARE GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2021**

12 Taxation (continued)

Group

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021	2020
	£	£
Profit on ordinary activities before tax	<u>22,261,840</u>	<u>22,748,691</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	4,229,750	4,322,251
Effects of:		
Intangible amortisation on consolidation	582,194	107,165
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	49,392	18,811
Capital allowances for year in excess of depreciation	(123,891)	(333,061)
Non deductible amortisation on intangible assets	118,505	117,252
Adjustments to tax charge in respect of prior periods	(969)	-
Short term timing difference leading to an increase (decrease) in taxation	82,390	72,360
Revaluation of investments	(9,975)	950
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(123,884)	(484,053)
Unrelieved tax losses carried forward	54,047	96,829
Patent box deduction	(578,823)	(829,479)
Impairment	89,625	158,447
Tax at higher rate on subsidiary	29,511	27,000
Disposal of Intangible Asset	-	162,725
Group relief surrendered	134,387	107,082
Profit element on inter-company stock (net of other consolidation adjustments)	(7,593)	55,653
Total tax charge for the year	<u><u>4,524,666</u></u>	<u><u>3,599,932</u></u>

Factors that may affect future tax charges

Finance Bill 2020 confirmed that the rate of corporation tax would remain at the rate of 19% from 1 April 2020 (cancelling the enacted reduction to 17%). As this change was enacted before year end by the passing of Budget Resolution on 17 March 2020, deferred tax is provided at 19%. Furthermore, an increase to the main UK corporation tax rate from 19% to 25% from 1 April 2023 was announced in the March 2021 budget. This was substantively enacted on 24 May 2021 and would result in a deferred tax liability of £1,602,938 (increase of £384,705).

13 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 after tax of the parent Company for the year was £17,885,456 (2020 - £74,135,546).

14 Dividends

	2021	2020
	£	£
Dividends paid on A Ordinary shares	13,009,716	18,842,597
Dividends paid on B Ordinary shares	490,284	710,101
	<u><u>13,500,000</u></u>	<u><u>19,552,698</u></u>

EAKIN HEALTHCARE GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

15 Intangible assets

Group	Licence £	Patient Database £	Patents, Trademarks & Development costs £	Regulatory Approvals £	Brands and Trade names £	Goodwill £	Total £
Cost							
At 1 April 2020	11,066,458	6,583,827	75,716	-	9,199,271	13,508,195	40,433,467
Additions	-	-	18,726	18,989,797	12,555,855	8,463,196	40,027,574
Disposals	-	-	(75,716)	-	-	-	(75,716)
On acquisition of subsidiaries	-	-	222,754	-	-	-	222,754
At 31 March 2021	11,066,458	6,583,827	241,480	18,989,797	21,755,126	21,971,391	80,608,079
Amortisation							
At 1 April 2020	-	3,410,725	75,716	-	3,600,286	11,171,030	18,257,757
Charge for the year on owned assets	-	438,922	28,173	999,710	1,313,985	987,025	3,767,815
On disposals	-	-	(75,716)	-	-	-	(75,716)
On acquisition of subsidiaries	-	-	10,713	-	-	-	10,713
At 31 March 2021	-	3,849,647	38,886	999,710	4,914,271	12,158,055	21,960,569
Net book value							
At 31 March 2021	11,066,458	2,734,180	202,594	17,990,087	16,840,855	9,813,336	58,647,510
At 31 March 2020	11,066,458	3,173,102	-	-	5,598,985	2,337,165	22,175,710

On 17 December 2020, Eakin Healthcare Group Limited acquired 100% of Armstrong Medical Limited.

	Book value £	Fair value adjustments £	Fair value £
Intangible Assets	212,041	-	212,041
Tangible Fixed Assets	6,861,358	(120,400)	6,740,958
Debtors and Prepayments	5,174,601	-	5,174,601
Stock	5,747,119	(448,287)	5,298,832
Cash	1,705,793	-	1,705,793
Creditors & accruals	(2,008,019)	-	(2,008,019)
Net Assets	17,692,893	(568,687)	17,124,206
Goodwill - arising on acquisition	-	8,463,196	8,463,196
Trade Names	-	12,555,855	12,555,855
Regulatory Approvals	-	18,989,797	18,989,797
Total	17,692,893	39,440,161	57,133,054
Discharged by:			
Cash consideration			56,550,463
Costs associated with the acquisition			582,591
			57,133,054

EAKIN HEALTHCARE GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

16 Tangible assets

Group	Freehold property £	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and Fittings £
Cost or valuation					
At 1 April 2020	19,447,397	143,639	27,614,863	104,501	2,387,301
Additions	2,936,103	-	2,867,014	21,169	65,442
Acquisition of subsidiary	2,233,036	-	8,215,785	146,888	277,853
Disposals	(476,939)	-	(91,961)	(43,254)	(12,205)
Impairment	-	-	(24,525)	-	-
Transfer between classes	-	-	2,573,785	-	-
Expensed to P&L	-	-	-	-	-
At 31 March 2021	24,139,597	143,639	41,154,961	229,304	2,718,391
Depreciation					
At 1 April 2020	3,464,067	56,459	19,381,701	81,237	1,863,921
Charge for period on owned assets	500,714	13,603	2,246,431	46,246	135,968
Disposals	(26,374)	-	(10,596)	(43,256)	(12,205)
Acquisition of subsidiary	68,190	-	3,889,927	93,109	225,110
At 31 March 2021	4,006,597	70,062	25,507,463	177,336	2,212,794
Net book value					
At 31 March 2021	20,133,000	73,577	15,647,498	51,968	505,597
At 31 March 2020	15,983,330	87,180	8,233,162	23,264	523,380

EAKIN HEALTHCARE GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2021**

16 Tangible assets (continued)

Group	Computer equipment £	Assets not commissioned £	Total £
Cost or valuation			
At 1 April 2020	3,388,694	3,736,525	56,822,920
Additions	269,740	1,848,053	8,007,521
Acquisition of subsidiary	825,867	-	11,699,429
Disposals	(6,972)	(2,255)	(633,586)
Impairment	-	(447,182)	(471,707)
Transfer between classes	47,177	(2,620,962)	-
Expensed to P&L	-	(3,200)	(3,200)
At 31 March 2021	<u>4,524,506</u>	<u>2,510,979</u>	<u>75,421,377</u>
Depreciation			
At 1 April 2020	2,088,953	-	26,936,338
Charge for period on owned assets	361,414	-	3,304,376
Disposals	(4,748)	-	(97,179)
Acquisition of subsidiary	682,133	-	4,958,469
At 31 March 2021	<u>3,127,752</u>	<u>-</u>	<u>35,102,004</u>
Net book value			
At 31 March 2021	<u>1,396,754</u>	<u>2,510,979</u>	<u>40,319,373</u>
At 31 March 2020	<u>1,299,741</u>	<u>3,736,525</u>	<u>29,886,582</u>

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

	2021 £	2020 £
Freehold	20,133,000	15,983,330
Long leasehold	<u>73,577</u>	<u>87,180</u>
	<u>20,206,577</u>	<u>16,070,510</u>

EAKIN HEALTHCARE GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2021**

16 Tangible assets (continued)

Company	Motor vehicles £	Computer equipment £	Total £
Cost or valuation			
At 1 April 2020	45,815	15,289	61,104
Additions	-	900	900
Disposals	-	-	-
At 31 March 2021	<u>45,815</u>	<u>16,189</u>	<u>62,004</u>
Depreciation			
At 1 April 2020	28,634	12,767	41,401
Charge for period on owned assets	5,727	1,659	7,386
Disposals	-	-	-
At 31 March 2021	<u>34,361</u>	<u>14,426</u>	<u>48,787</u>
At 31 March 2021	<u>11,454</u>	<u>1,763</u>	<u>13,217</u>
At 31 March 2020	<u>17,181</u>	<u>2,522</u>	<u>19,703</u>

17 Fixed asset investments

Group	Freehold investment property £
Cost or valuation	
At 1 April 2020	905,000
Disposals	(115,000)
Revaluations	52,500
At 31 March 2020	<u>842,500</u>

The 2021 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 2021

17 Fixed asset Investments (continued)

Company	Investment in subsidiary companies £	Investment property £	Total £
Cost or valuation			
At 1 April 2020	54,044,975	-	54,044,975
Additions	57,133,054	2,700,000	59,833,054
Transfers intra group	-	(2,700,000)	(2,700,000)
At 31 March 2021	111,178,029	-	111,178,029

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of Incorporation	Class of shares	Holding
T G Eakin Limited	UK	£1 Ordinary	100%
Pelican Healthcare Limited	UK	£1 Ordinary	100%
Eakin R & D Limited	UK	£1 Ordinary	100%
Respond Healthcare Limited	UK	£1 Ordinary	100%
Armstrong Medical Limited	UK	£1 Ordinary	100%
Eakin Surgical 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	100%
Eakin Healthcare Limited	Isle of Man	£0.01 A & B Ordinary	100%
Eakin France SAS	France	€1 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%
Pelican Feminine Healthcare Limited	UK	£1 Ordinary	100%

EAKIN HEALTHCARE GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

18 Stocks

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Raw materials and consumables	9,480,182	4,404,014	-	-
Work in progress (goods to be sold)	1,114,278	796,994	-	-
Finished goods and goods for resale	10,293,226	7,417,324	-	-
	<u>20,887,686</u>	<u>12,618,332</u>	<u>-</u>	<u>-</u>

19 Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	15,355,770	15,210,608	-	-
Amounts owed by group undertakings	-	-	2,445,574	50,789
Other debtors	128,410	899,888	-	316
Prepayments and accrued income	1,153,257	483,523	36,304	26,624
Deferred taxation	-	-	4,657	2,071
	<u>16,637,437</u>	<u>16,594,019</u>	<u>2,486,535</u>	<u>79,800</u>

20 Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	26,213,798	15,097,250	7,467,958	1,022,458
	<u>26,213,798</u>	<u>15,097,250</u>	<u>7,467,958</u>	<u>1,022,458</u>

21 Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade creditors	5,643,218	4,128,618	32,216	24,339
Corporation tax	-	-	-	-
Amounts owed to group undertakings	-	-	61,037,286	29,936
Other taxation and social security	828,803	1,511,147	-	-
Other creditors	589,086	959,686	12,607	19,684
Accruals and deferred income	4,023,615	3,800,217	1,344,086	758,889
	<u>11,084,722</u>	<u>10,399,668</u>	<u>62,426,195</u>	<u>832,848</u>

EAKIN HEALTHCARE GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

22 Financial instruments

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Financial assets				
Financial assets measured at fair value through profit or loss	27,056,298	16,002,250	7,467,958	1,022,458
Financial assets that are debt instruments measured at amortised cost	15,456,962	15,316,058	-	-
	<u>42,513,260</u>	<u>31,318,308</u>	<u>7,467,958</u>	<u>1,022,458</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(9,853,948)	(8,479,400)	-	-
	<u>(9,853,948)</u>	<u>(8,479,400)</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.

23 Deferred taxation

Group

	2021 £	2020 £
At beginning of year	(535,407)	-
Charged to profit and loss	(82,390)	(72,360)
Acquired on acquisition of subsidiary	(600,436)	(438,950)
Eliminated on disposal	-	(24,097)
At end of year	<u>(1,218,233)</u>	<u>(535,407)</u>

	Group 2021 £	Group 2020 £
Accelerated capital allowances	(1,394,487)	(745,196)
Other timing differences	(25,942)	-
Profit on intra group stock	202,196	209,789
	<u>(1,218,233)</u>	<u>(535,407)</u>

Company

	2021 £	2020 £
At beginning of year	2,071	630
Charged to profit and loss	2,586	1,441
At end of year	<u>4,657</u>	<u>2,071</u>

	Company 2021 £	Company 2020 £
Accelerated capital allowances	4,657	2,071
	<u>4,657</u>	<u>2,071</u>

EAKIN HEALTHCARE GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2021**

24 Share capital

	2021	2020
	£	£
Shares classified as equity		
Authorised, allotted, called up and fully paid		
520,088 (2019 - 260,044) Class A Ordinary shares of £0.01 each	5,201	5,201
19,600 (2019 - 9,800) Class B Ordinary shares of £0.01 each	196	196
	<hr/> 5,397	<hr/> 5,397

25 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.

26 Capital commitments

At 31 March 2021 the Group had capital commitments of £666,235 (2020: £978,228).

27 Pension commitments

The Group operates a defined contribution pension scheme in respect of the employees and directors. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the Group and amounted to £748,115 (2020: £498,295).

EAKIN HEALTHCARE GROUP LTD

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2021**

28 Commitments under operating leases

At 31 March 2021 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	£	£
Motor vehicles and other		
Not later than 1 year	192,946	167,904
Later than 1 year and not later than 5 years	146,505	171,164
	339,451	339,068
	2021	2020
	£	£
Land and buildings		
Not later than 1 year	72,800	86,759
Later than 1 year and not later than 5 years	219,551	239,751
Later than 5 years	-	52,600
	292,351	379,110

29 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.