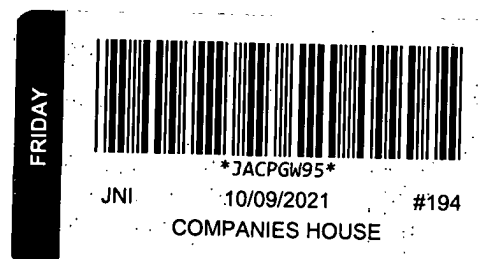

EAKIN R&D LIMITED

FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 MARCH 2021



EAKIN R&D LIMITED
REGISTERED NUMBER: NI626666

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	5	302,908	290,618
		<u>302,908</u>	<u>290,618</u>
Current assets			
Debtors: amounts falling due within one year	6	106,016	71,089
Cash at bank and in hand	7	375,743	242,293
		<u>481,759</u>	<u>313,382</u>
Creditors: amounts falling due within one year	8	(3,137,330)	(1,553,110)
Net current liabilities		<u>(2,655,571)</u>	<u>(1,239,728)</u>
Total assets less current liabilities		<u>(2,352,663)</u>	<u>(949,110)</u>
Provisions for liabilities			
Deferred tax	10	(6,306)	(9,236)
		<u>(6,306)</u>	<u>(9,236)</u>
Net liabilities		<u><u>(2,358,969)</u></u>	<u><u>(958,346)</u></u>
Capital and reserves			
Called up share capital	11	100,001	100,001
Profit and loss account	12	(2,458,970)	(1,058,347)
		<u><u>(2,358,969)</u></u>	<u><u>(958,346)</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

EAKIN R&D LIMITED
REGISTERED NUMBER: NI626666

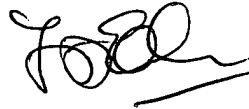
BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

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

P A Eakin
Director



J D Eakin
Director



The notes on pages 3 to 11 form part of these financial statements.

EAKIN R&D LIMITED

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

1. General information

Eakin R&D Limited is a private company limited by shares. The Company is incorporated in Northern Ireland and has the Company number NI626666. The registered office address and principal place of business is 15 Ballystockart Road, Comber, Co Down, BT23 5QY. The principal activity of the Company is that of the provision of research and development services to other companies within the Eakin Healthcare Group.

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 management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

At 31 March 2021, the Company has net liabilities of £2,358,969 (2020: net liabilities of £958,346), which included £2,395,633 owed to its immediate parent undertaking, Eakin Healthcare Group Limited. The company has ongoing financial support from its parent. The directors have no reason to believe a material uncertainty exists that may cast doubt over Eakin R&D Limited's ability to continue as a going concern. Accordingly, Eakin R&D Limited continues to adopt the going concern basis in preparing the financial statements.

2.3 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding value added tax. The following criteria must also be met before turnover is recognised:

Rendering of services

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

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

EAKIN R&D LIMITED

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

2. Accounting policies (continued)

2.4 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Plant and machinery	-	15% straight line
Motor vehicles	-	25% straight line
Computer equipment	-	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 Profit and Loss Account.

2.5 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.

2.6 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.

2.7 Financial instruments

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

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

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

EAKIN R&D LIMITED

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

2. Accounting policies (continued)

2.7 Financial instruments (continued)

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.

2.8 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.

2.9 Research and development costs

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.

2.10 Foreign currency translation

Functional and presentation currency

The Company'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.

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.

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

2. Accounting policies (continued)

2.11 Finance costs

Finance costs are charged to the Profit and Loss Account 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.

2.12 Operating leases: the Company 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.

2.13 Pensions

Defined contribution pension plan

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

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

2.14 Interest income

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

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company 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 Company 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 R&D LIMITED

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

2. Accounting policies (continued)

2.16 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 Company 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. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	5,750	5,750
	<u>5,750</u>	<u>5,750</u>

4. Employees

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

	2021 No.	2020 No.
Research and Development	21	17
Managerial	6	6
	<u>27</u>	<u>23</u>

EAKIN R&D LIMITED

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

5. Tangible fixed assets

	Plant and machinery £	Assets not commissioned £	Computer equipment £	Fixtures and fittings £
Cost or valuation				
At 1 April 2020	245,040	101,580	101,843	-
Additions	39,409	36,864	26,921	9,644
Transfers intra group	-	(25,918)	-	-
Disposals	(13,345)	(2,255)	(3,807)	-
Transfers between classes	33,488	(33,488)	-	-
Reclassified to profit & loss	-	(3,200)	-	-
At 31 March 2021	<u>304,592</u>	<u>73,583</u>	<u>124,957</u>	<u>9,644</u>
Depreciation				
At 1 April 2020	80,156	-	77,689	-
Charge for the year on owned assets	41,139	-	16,281	460
Disposals	(2,050)	-	(3,807)	-
At 31 March 2021	<u>119,245</u>	<u>-</u>	<u>90,163</u>	<u>460</u>
Net book value				
At 31 March 2021	<u><u>185,347</u></u>	<u><u>73,583</u></u>	<u><u>34,794</u></u>	<u><u>9,184</u></u>
At 31 March 2020	<u><u>164,884</u></u>	<u><u>101,580</u></u>	<u><u>24,154</u></u>	<u><u>-</u></u>

EAKIN R&D LIMITED

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

5. Tangible fixed assets (continued)

	Total £
Cost or valuation	
At 1 April 2020	448,463
Additions	112,838
Transfers intra group	(25,918)
Disposals	(19,407)
Transfers between classes	-
Reclassified to profit & loss	(3,200)
At 31 March 2021	<u>512,776</u>
Depreciation	
At 1 April 2020	157,845
Charge for the year on owned assets	57,880
Disposals	(5,857)
At 31 March 2021	<u>209,868</u>
Net book value	
At 31 March 2021	<u>302,908</u>
At 31 March 2020	<u>290,618</u>

EAKIN R&D LIMITED

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

6. Debtors

	2021 £	2020 £
Amounts owed by group undertakings	58,661	-
Other debtors	13,454	13,500
Prepayments and accrued income	33,901	57,589
	<u>106,016</u>	<u>71,089</u>

7. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	375,743	242,293
	<u>375,743</u>	<u>242,293</u>

8. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	452,359	203,364
Amounts owed to group undertakings	2,404,083	944,894
Other taxation and social security	46,176	37,372
Accruals and deferred income	234,712	367,480
	<u>3,137,330</u>	<u>1,553,110</u>

9. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>375,743</u>	<u>242,293</u>

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

EAKIN R&D LIMITED

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

10. Deferred taxation

	2021 £	2020 £
At beginning of year	(9,236)	(7,885)
Charged to profit or loss	2,930	(1,351)
At end of year	(6,306)	(9,236)

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(6,306)	(9,236)
	(6,306)	(9,236)

11. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
100,001 (2020 - 100,001) Ordinary shares of £1.00 each	100,001	100,001

12. Reserves

Profit and loss account

Includes all current period retained profits and losses.

13. 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.

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

EAKIN R&D LIMITED

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

14. Auditors' information

The auditors' report on the financial statements for the year ended 31 March 2021 was unqualified.

The audit report was signed on 25 June 2021 by Mr Jonathan R Bethel (Senior Statutory Auditor) on behalf of Miscampbell & Co.