

Registered number: 02170535

**WELLAND MEDICAL LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**



**WELLAND MEDICAL LIMITED**

**COMPANY INFORMATION**

<b>Directors</b>	S L Farbrother D J Margetts (resigned 31 December 2021) M D Wynn S C Jackson S A Duckworth (appointed 1 January 2022) J E Riglar (appointed 1 March 2022)
<b>Company secretary</b>	S Bryden
<b>Registered number</b>	02170535
<b>Registered office</b>	Cavell House Knaves Beech Way High Wycombe Buckinghamshire HP10 9QY
<b>Independent auditors</b>	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors Foundation Park Roxborough Way Maidenhead SL6 3UD
<b>Bankers</b>	Barclays Bank Plc 16 High Street High Wycombe Buckinghamshire HP11 2BG

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WELLAND MEDICAL LIMITED.

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**Business review**

Sales increased by 3.9% over the prior year to £33,876,423 despite strong headwinds from the continuing global Covid-19 pandemic. Although market conditions were challenging, growth was seen in both United Kingdom and export markets from the sale of stoma pouches and accessory products. Market development was a significant factor in this growth and, well positioned by this, continuing growth is anticipated in 2022.

Gross profit decreased by 10.2% to £8,742,852 (2020 - £9,735,918) due to increased raw material prices, sales mix and labour efficiency, caused largely by the direct and indirect effects of Covid-19.

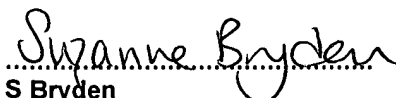
The company continues to trade with customers and suppliers in various foreign currencies and therefore monitors exchange rate risk closely. Raw materials utilised in the manufacturing process are largely oil based, so prices are influenced by both the price of oil and movements in exchange rates. As a result of the reopening of world economies and the ongoing conflict in Ukraine the company is experiencing increasing raw material costs and strained supply chains. Much of which is mitigated by active management of supplier relationships but in order to further minimise any impact additional strategies are being followed.

Albeit to a much lower level, the COVID-19 pandemic continues to be a threat to the company, due to the breadth of economies in which it trades and the variability in which each market manages the situation. However, every attempt will be made to mitigate its effect on all stakeholders, and the company is confident in its ability to respond as flexibly as possible given the prevailing circumstances.

Despite the risks noted above, the company is considered to be in a strong financial position and well placed to continue the trend in growth.

The company employs the equivalent of 231 full time staff (2020 - 232). The company is committed to its people through learning and development and is proud to have been recredited as an Investors in People Gold company.

This report was approved by the board on 4<sup>th</sup> August 2022 and signed on its behalf.

  
S Bryden  
Secretary

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

The directors present their report and the financial statements for the year ended 31 December 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 judgements and accounting estimates that are reasonable and prudent;
- 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.

**Results and dividends**

The profit for the year, after taxation, amounted to £2,900,858 (2020 - £4,152,957).

Particulars of dividends are detailed in the Statement of Changes in Equity

**Directors**

The directors who served during the year were:

S L Farbrother  
D J Margetts (resigned 31 December 2021)  
M D Wynn  
S C Jackson

**Qualifying third party indemnity provisions**

Qualifying third party indemnity provisions for the benefit of the directors were in force during the year and since the year end.

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 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.

**Post balance sheet events**

There have been no significant events affecting the company since the year end.

**Auditors**

The auditors, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *4<sup>th</sup> August 2022* and signed on its behalf.

*Swanne Bryden*  
.....  
**S Bryden**  
Secretary

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WELLAND MEDICAL LIMITED**

**Opinion**

We have audited the financial statements of Welland Medical Limited (the 'company') for the year ended 31 December 2021, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is 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 company's affairs as at 31 December 2021 and of its 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WELLAND MEDICAL LIMITED  
(CONTINUED)**

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WELLAND MEDICAL LIMITED  
(CONTINUED)**

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but 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.

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. The specific procedures for this engagement and the extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

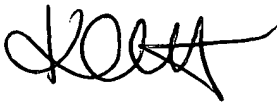
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

WELLAND MEDICAL LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WELLAND MEDICAL LIMITED  
(CONTINUED)**

**Use of our report**

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an Auditors' 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 shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.



KATHARINE ARNETT BSc FCA (Senior Statutory Auditor)

for and on behalf of  
**MHA MacIntyre Hudson**

Statutory Auditor

Maidenhead, United Kingdom

Date: 12 September 2022

**WELLAND MEDICAL LIMITED****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

		2021 £	2020 £
Turnover	4	33,876,423	32,601,749
Cost of sales		(25,133,571)	(22,865,831)
<b>Gross profit</b>		<b>8,742,852</b>	<b>9,735,918</b>
Distribution costs		(802,751)	(726,193)
Administrative expenses		(4,187,927)	(4,061,979)
<b>Operating profit</b>	<b>5</b>	<b>3,752,174</b>	<b>4,947,746</b>
Interest receivable and similar income		566	2,590
<b>Profit before tax</b>		<b>3,752,740</b>	<b>4,950,336</b>
Tax on profit	8	(851,882)	(797,379)
<b>Profit for the financial year</b>		<b>2,900,858</b>	<b>4,152,957</b>
<b>Total comprehensive income for the year</b>		<b>2,900,858</b>	<b>4,152,957</b>

The notes on pages 11 to 24 form part of these financial statements.

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	9	6,675,752	6,372,117
<b>Current assets</b>			
Stocks	10	5,859,578	5,055,578
Debtors: amounts falling due within one year	11	7,078,538	8,683,111
Cash at bank and in hand	12	997,478	815,297
		<u>13,935,594</u>	<u>14,553,986</u>
Creditors: amounts falling due within one year	13	(5,549,511)	(6,116,776)
<b>Net current assets</b>		<u>8,386,083</u>	<u>8,437,210</u>
<b>Total assets less current liabilities</b>		<u>15,061,835</u>	<u>14,809,327</u>
<b>Provisions for liabilities</b>			
Deferred tax	14	(573,000)	(274,000)
Other provisions	15	(715,900)	(663,250)
		<u>(1,288,900)</u>	<u>(937,250)</u>
<b>Net assets</b>		<u><u>13,772,935</u></u>	<u><u>13,872,077</u></u>
<b>Capital and reserves</b>			
Called up share capital	16	427,500	427,500
Profit and loss account		13,345,435	13,444,577
		<u><u>13,772,935</u></u>	<u><u>13,872,077</u></u>

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

4<sup>th</sup> August 2022

.....  
**S L Farbrother**  
 Director

The notes on pages 11 to 24 form part of these financial statements.

**WELLAND MEDICAL LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 January 2020</b>	<b>427,500</b>	<b>13,291,620</b>	<b>13,719,120</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	4,152,957	4,152,957
Dividends: Equity capital	-	(4,000,000)	(4,000,000)
<b>At 1 January 2021</b>	<b>427,500</b>	<b>13,444,577</b>	<b>13,872,077</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	2,900,858	2,900,858
Dividends: Equity capital	-	(3,000,000)	(3,000,000)
<b>At 31 December 2021</b>	<b>427,500</b>	<b>13,345,435</b>	<b>13,772,935</b>

The notes on pages 11 to 24 form part of these financial statements.

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

**1. General information**

Welland Medical Limited is a private company limited by shares, incorporated in England and Wales, registration number 02170535. The address of its principal place of business is Hydehurst Lane, Crawley, West Sussex, RH10 9AS.

The principal activity of the company is manufacturing and distributing medical supplies.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared on a going concern basis 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 United Kingdom 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 judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of CliniMed (Holdings) Limited as at 31 December 2021 and these financial statements may be obtained from Companies House.

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

2. Accounting policies (continued)

2.3 Turnover

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

**Sale of goods**

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

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

2.4 Foreign currency translation

**Functional and presentation currency**

The company's functional and presentational currency is Pounds Sterling.

**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 Statement of Comprehensive Income.

All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

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

2. Accounting policies (continued)

2.5 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease.

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.

2.6 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 Statement of Comprehensive Income 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.

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income 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.

2.8 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.

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

2. Accounting policies (continued)

2.9 Tangible fixed assets

Tangible fixed assets 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.

The company adds to the carrying amount of each fixed asset the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is written off. Repairs and maintenance are charged to the Statement of Comprehensive Income during the period in which they are incurred.

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.

The estimated useful lives range as follows:

Leasehold property	- over the remaining term of the lease
Plant and machinery	- 5-10 years
Fixtures and fittings	- 5-10 years
Computer equipment	- 5 years

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted accordingly 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.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, net realisable value being the estimated selling price (less trade discounts), less further 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. No element of profit is included in the valuation of work in progress.

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

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.12 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 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 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

**2.15 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

**2.16 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.17 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 Statement of Comprehensive Income 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.

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

2. Accounting policies (continued)

2.18 Financial instruments

The company only enters into basic financial instrument 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 ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

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.

3. Judgements and key sources of estimation uncertainty

Management has made judgements as to the extent of any need for provisions for repairs in respect of leased property wear and tear, or reinstatement costs. Management has considered the nature of the work carried out by the company on its leased premises and estimated the extent to which repairs or reinstatement will be necessary at the end of the lease.

As repairs or reinstatement costs are likely to arise on expiry of the lease, a suitable provision for repairs or reinstatement has been recognised in the accounts, as detailed in note 15. The suitability of this provision will be reviewed by management annually and any events that may have a material impact will be reflected in the provision.

There are no other key sources of estimation uncertainty.

4. Turnover

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	10,714,141	10,541,975
Rest of Europe	23,162,282	22,059,774
	<u>33,876,423</u>	<u>32,601,749</u>

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

**5. Operating profit**

The operating profit is stated after charging:

	2021 £	2020 £
Exchange differences	99,040	(340,213)
Auditors' remuneration	14,250	14,250
Depreciation of tangible fixed assets	1,139,915	1,096,298
Other operating lease rentals	836,135	801,912
	<u>9,222,816</u>	<u>8,937,723</u>

**6. Employees**

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

	2021 £	2020 £
Wages and salaries	7,738,917	7,544,413
Social security costs	823,563	775,135
Cost of defined contribution scheme	660,336	618,175
	<u>9,222,816</u>	<u>8,937,723</u>

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

	2021 No.	2020 No.
Production	183	188
Sales and marketing	11	11
Management and administration	37	33
	<u>231</u>	<u>232</u>

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

7. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	336,446	413,671
Company contributions to defined contribution pension schemes	52,858	57,018
	<u>389,304</u>	<u>470,689</u>

During the year retirement benefits were accruing to 3 directors (2020 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £159,238 (2020 - £140,082).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £12,383 (2020 - £11,539).

8. Taxation

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on profits for the year	468,365	332,000
Adjustments in respect of previous periods	84,517	(7,621)
	<u>552,882</u>	<u>324,379</u>
Group taxation relief	-	442,000
	<u>552,882</u>	<u>766,379</u>
<b>Total current tax</b>	<u>552,882</u>	<u>766,379</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	161,000	2,000
Changes to tax rates	138,000	29,000
	<u>299,000</u>	<u>31,000</u>
<b>Taxation on profit on ordinary activities</b>	<u>851,882</u>	<u>797,379</u>

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

**8. Taxation (continued)**

**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>3,752,740</u>	<u>4,950,336</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	713,021	940,564
<b>Effects of:</b>		
Capital allowances for year in excess of depreciation	(163,066)	19,832
Adjustments to tax charge in respect of prior periods	84,517	(7,621)
Short term timing difference leading to an increase (decrease) in taxation	299,000	31,000
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(64,695)	(72,900)
Patent box deduction	(19,000)	(123,500)
Changes in provisions leading to an increase (decrease) in the tax charge	2,105	10,004
<b>Total tax charge for the year</b>	<u><u>851,882</u></u>	<u><u>797,379</u></u>

**Factors that may affect future tax charges**

The government has announced its intention to increase the rate of corporation tax. This will impact the future tax charges.

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

9. Tangible fixed assets

	Leasehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 January 2021	3,454,584	12,679,192	124,226	573,585	16,831,587
Additions	43,423	1,352,718	2,166	45,263	1,443,570
Disposals	-	-	-	(8,276)	(8,276)
At 31 December 2021	3,498,007	14,031,910	126,392	610,572	18,266,881
<b>Depreciation</b>					
At 1 January 2021	914,119	9,069,123	59,396	416,832	10,459,470
Charge for the year on owned assets	179,974	897,180	11,099	51,662	1,139,915
Disposals	-	-	-	(8,256)	(8,256)
At 31 December 2021	1,094,093	9,966,303	70,495	460,238	11,591,129
<b>Net book value</b>					
At 31 December 2021	2,403,914	4,065,607	55,897	150,334	6,675,752
At 31 December 2020	2,540,465	3,610,069	64,830	156,753	6,372,117

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

**10. Stocks**

	2021 £	2020 £
Raw materials and consumables	2,711,373	2,443,083
Work in progress	1,164,315	1,058,699
Finished goods	1,983,890	1,553,796
	<u>5,859,578</u>	<u>5,055,578</u>

**11. Debtors**

	2021 £	2020 £
Trade debtors	4,172,505	3,952,668
Amounts owed by group undertakings	1,963,065	2,520,149
Other debtors	-	57,689
Prepayments and accrued income	768,470	2,001,182
Tax recoverable	174,498	151,423
	<u>7,078,538</u>	<u>8,683,111</u>

**12. Cash and cash equivalents**

	2021 £	2020 £
Cash at bank and in hand	<u>997,478</u>	<u>815,297</u>

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

**13. Creditors: Amounts falling due within one year**

	2021 £	2020 £
Trade creditors	897,166	1,228,305
Amounts owed to group undertakings	3,168,230	3,110,460
Other taxation and social security	191,222	168,235
Other creditors	148,681	177,814
Accruals and deferred income	1,144,212	1,431,962
	<u>5,549,511</u>	<u>6,116,776</u>

**14. Deferred taxation**

	2021 £	2020 £
At beginning of year	274,000	243,000
Charged to profit or loss	299,000	31,000
<b>At end of year</b>	<u>573,000</u>	<u>274,000</u>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(595,000)	(288,000)
Charged to profit or loss	22,000	14,000
	<u>(573,000)</u>	<u>(274,000)</u>

**WELLAND MEDICAL LIMITED**

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

**15. Provisions**

	Dilapidation provision £
At 1 January 2021	663,250
Charged to profit or loss	52,650
<b>At 31 December 2021</b>	<b>715,900</b>

The dilapidation provision relates to the estimated costs of repair or reinstatement of the company's premises.

**16. Share capital**

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
427,500 (2020 - 427,500) Ordinary shares of £1 each	<b>427,500</b>	427,500

Ordinary shares carry equal voting rights and entitlement to distributable reserves.

**17. Contingent liabilities**

The company is party to a Composite Account Agreement with right of set-off with other bank accounts within the CliniMed Group. At 31 December 2021, the overall aggregate was not overdrawn.

**18. Pension commitments**

The company operates a defined contributions pension scheme. The company pays fixed contributions into an independently administered entity. Contributions totalling £Nil (2020 - £1,000) were payable to the fund at the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****19. Commitments under operating leases**

At 31 December 2021 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	728,590	735,939
Later than 1 year and not later than 5 years	2,870,355	2,870,392
Later than 5 years	5,785,558	6,493,993
	<u>9,384,503</u>	<u>10,100,324</u>

**20. Related party transactions**

In accordance with the exemption under Financial Reporting Standard No 102, the company does not disclose transactions with other wholly-owned companies within the CliniMed Group.

**21. Ultimate parent company**

The directors consider that the immediate and ultimate parent company of Welland Medical Limited is CliniMed (Holdings) Limited which is registered in England and Wales. The registered office of CliniMed (Holdings) Limited is Cavell House, Knaves Beech Way, Loudwater, High Wycombe, HP10 9QY. Copies of the consolidated accounts are available from Companies House.