

**WELLAND MEDICAL LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2015**



**MHA MacIntyre Hudson**  
GLOBAL EXPERTISE • NATIONAL EXPERIENCE • LOCAL EXCELLENCE®

---

**WELLAND MEDICAL LIMITED**

---

---

**COMPANY INFORMATION**

---

**DIRECTORS**

S L Farbrother  
P I Biddulph  
D J Margetts  
C D Primett  
S C Jackson (appointed 1 September 2015)

**COMPANY SECRETARY**

S Bryden

**REGISTERED NUMBER**

02170535

**REGISTERED OFFICE**

Cavell House  
Knaves Beech Way  
High Wycombe  
Buckinghamshire  
HP10 9QY

**INDEPENDENT AUDITORS**

MHA MacIntyre Hudson  
Chartered Accountants & Statutory Auditors  
Abbey Place  
24-28 Easton Street  
High Wycombe  
Buckinghamshire  
HP11 1NT

**BANKERS**

Barclays Bank Plc  
16 High Street  
High Wycombe  
Buckinghamshire  
HP11 2BG

---

**WELLAND MEDICAL LIMITED**

---

---

**CONTENTS**

---

	Page
<b>Strategic Report</b>	<b>1</b>
<b>Directors' Report</b>	<b>2 - 3</b>
<b>Independent Auditors' Report</b>	<b>4 - 5</b>
<b>Statement of Comprehensive Income</b>	<b>6</b>
<b>Balance Sheet</b>	<b>7</b>
<b>Statement of Changes in Equity</b>	<b>8</b>
<b>Notes to the Financial Statements</b>	<b>9 - 21</b>

---

## WELLAND MEDICAL LIMITED

---

### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

---

#### BUSINESS REVIEW

Sales increased by 3% compared with the prior year. Although market conditions remained competitive, growth was seen in the sales of stoma products. New products and market development were a significant factor in this growth and, well positioned by this, continuing growth is anticipated in 2016.

Gross profit fell in 2015 despite increased sales, mainly due to increased labour costs and the effects of trading in foreign currencies. Enhancements in productivity mitigated raw material price increases incurred during the year. Gross profit margin fell to 34% (2014: 35%).

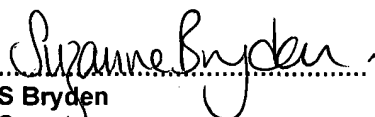
The company continues to trade with customers and suppliers in various foreign currencies and therefore monitors exchange rate risk closely. Raw materials utilised in the manufacturing process are largely oil based and prices are influenced by both the price of oil and movements in exchange rates. The company is actively managing relationships with suppliers in order to keep price rises to a minimum, and it is considered that any downward pressure on margins will be reduced by improvements in productivity.

The company began the process of moving into new premises during 2014. Whilst this posed a large risk to the company, it was closely managed and Welland kept business disruption to a minimum. Indeed, there was no impact at all to customer supplies.

Despite these risks 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 187 full time staff (2014: 178). The company is committed to its people through learning and development and is proud to be an Investors in People Champion.

This report was approved by the board on 15 April 2016 and signed on its behalf.

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

---

**WELLAND MEDICAL LIMITED**

---

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2015**

---

The directors present their report and the financial statements for the year ended 31 December 2015.

**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 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 and then apply them consistently;
- make judgements 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 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 £2,306,536 (2014 - £3,272,201).

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

**DIRECTORS**

The directors who served during the year were:

S L Farbrother  
P I Biddulph  
D J Margetts  
C D Primett  
S C Jackson (appointed 1 September 2015)

**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.

---

**WELLAND MEDICAL LIMITED**

---

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2015**

---

**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 that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that 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.

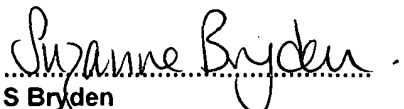
**POST BALANCE SHEET EVENTS**

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

**AUDITORS**

Under section 487(2) of the Companies Act 2006, MHA MacIntyre Hudson will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 15 April 2016 and signed on its behalf.



**S Bryden**  
Secretary

Cavell House  
Knives Beech Way  
High Wycombe  
Buckinghamshire  
HP10 9QY

---

**WELLAND MEDICAL LIMITED**

---

---

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

---

We have audited the financial statements of Welland Medical Limited for the year ended 31 December 2015, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 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.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion 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 directors' report has been prepared in accordance with applicable legal requirements.

---

WELLAND MEDICAL LIMITED

---

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

---

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where 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.

*MHA MacIntyre Hudson*

KATHARINE ARNOTT FCA (Senior Statutory Auditor)

for and on behalf of

**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

Abbey Place  
24-28 Easton Street  
High Wycombe  
Buckinghamshire  
HP11 1NT

Date: 15 April 2016



---

**WELLAND MEDICAL LIMITED**

---

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2015**

---

	Note	2015 £	2014 £
<b>PROFIT AND LOSS ACCOUNT</b>			
Turnover	1,3	22,849,799	22,238,221
Cost of sales		(15,152,558)	(14,494,962)
<b>Gross profit</b>		<b>7,697,241</b>	<b>7,743,259</b>
Distribution costs		(608,760)	(665,905)
Administrative expenses		(4,287,445)	(3,162,731)
Other operating income		-	(922)
<b>Operating profit</b>	4	<b>2,801,036</b>	<b>3,913,701</b>
Tax on profit	7	(494,500)	(641,500)
<b>Profit for the year</b>		<b>2,306,536</b>	<b>3,272,201</b>
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>2,306,536</b>	<b>3,272,201</b>

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and Loss Account.

The notes on pages 9 to 21 form part of these financial statements.

**WELLAND MEDICAL LIMITED**  
**REGISTERED NUMBER:02170535**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2015**

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	8	6,346,365	3,303,410
		<u>6,346,365</u>	<u>3,303,410</u>
<b>Current assets</b>			
Stocks	9	2,906,212	2,405,164
Debtors: amounts falling due within one year	10	6,698,097	6,146,735
Cash at bank and in hand		413,124	1,913,729
		<u>10,017,433</u>	<u>10,465,628</u>
Creditors: amounts falling due within one year	11	(8,072,808)	(7,817,084)
<b>Net current assets</b>		<u>1,944,625</u>	<u>2,648,544</u>
<b>Total assets less current liabilities</b>		<u>8,290,990</u>	<u>5,951,954</u>
<b>Provisions for liabilities</b>			
Deferred tax	12	(215,500)	(143,000)
Other provisions	13	(210,000)	(250,000)
		<u>(425,500)</u>	<u>(393,000)</u>
<b>Net assets</b>		<u><u>7,865,490</u></u>	<u><u>5,558,954</u></u>
<b>Capital and reserves</b>			
Called up share capital	14	427,500	427,500
Profit and loss account	15	7,437,990	5,131,454
		<u><u>7,865,490</u></u>	<u><u>5,558,954</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 April 2016.

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

The notes on pages 9 to 21 form part of these financial statements.

---

**WELLAND MEDICAL LIMITED**

---

**STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2015**

---

	Share capital £	Retained earnings £	Total equity £
At 1 January 2015	427,500	5,131,454	5,558,954
<b>Comprehensive income for the year</b>			
Profit for the year	-	2,306,536	2,306,536
<b>Total comprehensive income for the year</b>	-	2,306,536	2,306,536
<b>At 31 December 2015</b>	<b>427,500</b>	<b>7,437,990</b>	<b>7,865,490</b>

**STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2014**

---

	Share capital £	Retained earnings £	Total equity £
At 1 January 2014	427,500	6,859,253	7,286,753
<b>Comprehensive income for the year</b>			
Profit for the year	-	3,272,201	3,272,201
<b>Total comprehensive income for the year</b>	-	3,272,201	3,272,201
<b>Contributions by and distributions to owners</b>			
Dividends: equity capital	-	(5,000,000)	(5,000,000)
<b>Total transactions with owners</b>	-	(5,000,000)	(5,000,000)
<b>At 31 December 2014</b>	<b>427,500</b>	<b>5,131,454</b>	<b>5,558,954</b>

The notes on pages 9 to 21 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

---

**1. ACCOUNTING POLICIES**

**1.1 Company information**

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

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

**1.2 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention 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.

Information on the impact of first-time adoption of FRS 102 is given in note 22.

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 2).

The following principal accounting policies have been applied:

**1.3 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 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of CliniMed (Holdings) Limited for the year ended 31 December 2015 which may be obtained from Companies House.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

---

**1. ACCOUNTING POLICIES (continued)**

**1.4 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;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**1.5 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 Profit and Loss Account 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

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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

---

**1. ACCOUNTING POLICIES (continued)**

**1.6 Operating leases: lessee**

Rentals paid under operating leases are charged to the profit or loss 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 period.

**1.7 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 profit or loss.

**1.8 Debtors**

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

**1.9 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.

**1.10 Creditors**

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

---

1. ACCOUNTING POLICIES (continued)

1.11 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 Profit and Loss Account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and Loss Account.

1.12 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.

1.13 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.

1.14 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

---

1. ACCOUNTING POLICIES (continued)

1.15 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.

1.16 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 change 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 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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.



---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

---

**2. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

Management has made judgements as to the extent of any need for a dilapidations provision in respect of reinstatement costs relating to premises under a new lease entered into during 2015.

Management has considered the nature of the work carried out by the company and estimated the extent to which reinstatement work will be necessary at the end of the lease. In management's opinion, the amount of reinstatement work is not likely to be material. Accordingly, no provision for dilapidations has been recognised at the year-end in respect of the new lease.

A dilapidations provision of £210,000 (2014: £250,000) has been recognised in respect of terminating leases.

There are no key sources of estimation uncertainty.

**3. ANALYSIS OF TURNOVER**

Analysis of turnover by country of destination:

	2015 £	2014 £
United Kingdom	10,176,608	9,443,067
Rest of world	12,673,191	12,795,154
	<u>22,849,799</u>	<u>22,238,221</u>

**4. OPERATING PROFIT**

The operating profit is stated after charging:

	2015 £	2014 £
Auditors' remuneration	12,300	12,300
Depreciation of tangible fixed assets	754,983	682,894
Research and development expense	22,639	27,737
Exchange differences	193,271	182,538
Operating lease rentals	<u>951,523</u>	<u>413,099</u>

---

**WELLAND MEDICAL LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

---

**5. EMPLOYEES**

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

	2015 £	2014 £
Wages and salaries	5,211,711	4,571,776
Social security costs	525,794	457,044
Cost of defined contribution scheme	444,884	338,421
	<u>6,182,389</u>	<u>5,367,241</u>

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

	2015 No.	2014 No.
Production	166	149
Sales and marketing	8	7
Management and administration	11	12
	<u>185</u>	<u>168</u>

**6. DIRECTORS' REMUNERATION**

	2015 £	2014 £
Directors' emoluments	365,208	357,750
Company contributions to defined contribution pension schemes	115,653	54,904
	<u>480,861</u>	<u>412,654</u>

During the year retirement benefits were accruing to 4 directors (2014 - 3) in respect of defined contribution pension schemes. The highest paid director received remuneration of £120,668 (2014 - £142,094). The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £68,666 (2014 - £33,235)

---

**WELLAND MEDICAL LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

---

**7. TAXATION**

	2015 £	2014 £
<b>Corporation tax</b>		
Current tax on profits for the year	422,000	631,731
Group taxation relief	-	75,269
<b>Total corporation tax</b>	<b>422,000</b>	<b>707,000</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	72,500	(35,000)
Changes to tax rates	-	(30,500)
<b>Total deferred tax</b>	<b>72,500</b>	<b>(65,500)</b>
<b>Taxation on profit on ordinary activities</b>	<b>494,500</b>	<b>641,500</b>

**FACTORS AFFECTING THE TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	2,801,036	3,913,701
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%)	567,210	841,446
<b>Effects of:</b>		
Effects of lower rates of tax	-	(201)
Expenses capitalised or not deductible for tax purposes	4,674	3,928
Capital allowances for year in excess of depreciation	(77,044)	31,472
Short term timing differences leading to an increase (decrease) in taxation	72,500	(65,500)
Patent box	(72,840)	(169,645)
<b>Total tax charge for the year</b>	<b>494,500</b>	<b>641,500</b>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges.

---

**WELLAND MEDICAL LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

---

**8. TANGIBLE FIXED ASSETS**

	Leasehold property £	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>				
At 1 January 2015	224,238	7,802,321	836,218	8,862,777
Additions	2,940,664	717,631	154,015	3,812,310
Disposals	(224,238)	(211,671)	(478,944)	(914,853)
<b>At 31 December 2015</b>	<b>2,940,664</b>	<b>8,308,281</b>	<b>511,289</b>	<b>11,760,234</b>
<b>Depreciation</b>				
At 1 January 2015	205,613	4,668,012	685,742	5,559,367
Charge owned for the period	68,559	636,378	50,046	754,983
Disposals	(224,238)	(210,602)	(465,641)	(900,481)
<b>At 31 December 2015</b>	<b>49,934</b>	<b>5,093,788</b>	<b>270,147</b>	<b>5,413,869</b>
<b>At 31 December 2015</b>	<b>2,890,730</b>	<b>3,214,493</b>	<b>241,142</b>	<b>6,346,365</b>
At 31 December 2014	18,625	3,134,309	150,476	3,303,410

**9. STOCKS**

	2015 £	2014 £
Raw materials and consumables	1,495,259	1,319,414
Work in progress (goods to be sold)	836,983	388,997
Finished goods and goods for resale	573,970	696,753
	<b>2,906,212</b>	<b>2,405,164</b>

Stock recognised in cost of sales during the year as an expense was £8,725,980 (2014: £8,673,772).

---

**WELLAND MEDICAL LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

---

**10. DEBTORS**

	2015 £	2014 £
Trade debtors	2,556,972	2,498,721
Amounts owed by group undertakings	1,833,737	1,457,390
Other debtors	1,432	3,190
Prepayments and accrued income	2,267,370	2,000,457
Tax recoverable	38,586	186,977
	<u>6,698,097</u>	<u>6,146,735</u>

**11. CREDITORS: Amounts falling due within one year**

	2015 £	2014 £
Trade creditors	1,107,523	822,493
Amounts owed to group undertakings	4,459,769	5,658,523
Corporation tax	422,000	631,731
Taxation and social security	150,103	150,396
Other creditors	256,265	207,753
Accruals and deferred income	1,677,148	346,188
	<u>8,072,808</u>	<u>7,817,084</u>

---

**WELLAND MEDICAL LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

---

**12. DEFERRED TAXATION**

	Deferred tax £
At 1 January 2015	(143,000)
Charged to the profit or loss	(72,500)
<b>At 31 December 2015</b>	<b>(215,500)</b>

The provision for deferred taxation is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	(242,000)	(159,000)
Other - short term timing differences	26,500	16,000
	<b>(215,500)</b>	<b>(143,000)</b>

**13. PROVISIONS**

	Dilapidation provision £
At 1 January 2015	250,000
Credited to the profit or loss	(40,000)
<b>At 31 December 2015</b>	<b>210,000</b>

The dilapidation provision relates to the estimated costs of restoration to the company's premises.

**14. SHARE CAPITAL**

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
427,500 Ordinary shares of £1 each	427,500	427,500

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

---

**WELLAND MEDICAL LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

---

**15. RESERVES****Profit and loss account**

The profit and loss account includes all current and prior period retained profits and losses.

**16. 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 2015, the overall aggregate was not overdrawn.

**17. CAPITAL COMMITMENTS**

At 31 December 2015 the company had capital commitments as follows:

	2015 £	2014 £
Contracted for but not provided in these financial statements	225,590	1,146,664
	<u>225,590</u>	<u>1,146,664</u>

**18. PENSION COMMITMENTS**

The company operates a defined contributions pension scheme. The company pays fixed contributions into an independently administered entity. The pension cost charge represents contributions payable by the company to the fund and amounted to £444,884 (2014 - £338,421). Contributions totalling £32,625 (2014 - £31,060) were payable to the fund at the balance sheet date

**19. COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2015 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2015 £	2014 £
Not later than 1 year	876,345	373,470
Later than 1 year and not later than 5 years	2,971,752	188,203
Later than 5 years	10,008,750	-
Total	<u>13,856,847</u>	<u>561,673</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.

---

**WELLAND MEDICAL LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

---

**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. Copies of the consolidated accounts are available from Companies House.

**22. FIRST TIME ADOPTION OF FRS 102**

The policies applied under the entity's previous accounting framework are not materially different to FRS 102, which has had no impact on equity or the Statement of Comprehensive Income.





**MHA MacIntyre Hudson**

GLOBAL EXPERTISE • NATIONAL EXPERIENCE • LOCAL EXCELLENCE®

## Find Us

To find out more about the people behind the name visit  
[www.macintyreHUDSON.co.uk](http://www.macintyreHUDSON.co.uk) or email us at [info@mhllp.co.uk](mailto:info@mhllp.co.uk)

### Bedford

Equipole House  
Grove Place  
Bedford MK40 3LE  
T: +44 (0)1234 268761  
F: +44 (0)1234 346801  
E: [bedfordinfo@mhllp.co.uk](mailto:bedfordinfo@mhllp.co.uk)

### Birmingham

Rutland House  
148 Edmund Street  
Birmingham B3 2FD  
T: +44 (0)1212 360465  
F: +44 (0)1212 361465  
E: [birminghaminfo@mhllp.co.uk](mailto:birminghaminfo@mhllp.co.uk)

### Canterbury

31 St George's Place  
Canterbury  
Kent CT1 1XD  
T: +44 (0)1227 464991  
F: +44 (0)1227 451796  
E: [canterburyinfo@mhllp.co.uk](mailto:canterburyinfo@mhllp.co.uk)

### Chelmsford

Boundary House  
4 County Place  
Chelmsford CM2 0RE  
T: +44 (0)1245 353177  
F: +44 (0)1245 252877  
E: [chelmsfordinfo@mhllp.co.uk](mailto:chelmsfordinfo@mhllp.co.uk)

### Folkestone

29 Manor Road  
Folkestone  
Kent CT20 2SE  
T: +44 (0)1303 252207  
F: +44 (0)1303 256679  
E: [folkestoneinfo@mhllp.co.uk](mailto:folkestoneinfo@mhllp.co.uk)

### High Wycombe

Abbey Place  
24-28 Easton Street  
High Wycombe HP11 1NT  
T: +44 (0)1494 441226  
F: +44 (0)1494 465591  
E: [highwycombeinfo@mhllp.co.uk](mailto:highwycombeinfo@mhllp.co.uk)

### Leicester

11 Merus Court  
Meridian Business Park  
Leicester LE19 1RJ  
T: +44 (0)116 289 4289  
F: +44 (0)116 289 4321  
E: [leicesterinfo@mhllp.co.uk](mailto:leicesterinfo@mhllp.co.uk)

### London City

New Bridge Street House  
30-34 New Bridge Street  
London EC4V 6BJ  
T: +44 (0)20 7429 4100  
F: +44 (0)20 7248 8939  
E: [londoncityinfo@mhllp.co.uk](mailto:londoncityinfo@mhllp.co.uk)

### London North

Euro House  
1394 High Road  
London N20 9YZ  
T: +44 (0)20 8446 0922  
F: +44 (0)20 8446 7686  
E: [londoninfo@mhllp.co.uk](mailto:londoninfo@mhllp.co.uk)

### Maidstone

Cornwallis House  
Pudding Lane  
Maidstone  
Kent ME14 1NH  
T: +44 (0)1622 754033  
F: +44 (0)1622 679732  
E: [maidstoneinfo@mhllp.co.uk](mailto:maidstoneinfo@mhllp.co.uk)

### Milton Keynes

Moorgate House  
201 Silbury Boulevard  
Milton Keynes MK9 1LZ  
T: +44 (0)1908 662255  
F: +44 (0)1908 678247  
E: [miltonkeynesinfo@mhllp.co.uk](mailto:miltonkeynesinfo@mhllp.co.uk)

### Northampton

Peterbridge House  
The Lakes  
Northampton NN4 7HB  
T: +44 (0)1604 624011  
F: +44 (0)1604 230079  
E: [northamptoninfo@mhllp.co.uk](mailto:northamptoninfo@mhllp.co.uk)

### Peterborough

8-12 Priestgate  
Peterborough PE1 1JA  
T: +44 (0)1733 568491  
F: +44 (0)1733 555548  
E: [peterboroughinfo@mhllp.co.uk](mailto:peterboroughinfo@mhllp.co.uk)

### Reading

Pennant House  
1-2 Napier Court  
Napier Road  
Reading RG1 8BW  
T: +44 (0)118 950 3895  
F: +44 (0)118 958 5884  
E: [readinginfo@mhllp.co.uk](mailto:readinginfo@mhllp.co.uk)

### Key contacts at specialist companies:

#### MHA MacIntyre Hudson Corporate Finance

Laurence Whitehead  
T: +44 (0)845 366 4793  
E: [mhcinfo@mhllp.co.uk](mailto:mhcinfo@mhllp.co.uk)

#### MacIntyre Hudson Advisory Services Ltd

Gordon Norris  
T: +44 (0)20 7429 4100  
E: [mhasinfo@mhllp.co.uk](mailto:mhasinfo@mhllp.co.uk)

#### MHA MacIntyre Hudson Wealth Management Independent financial advisers

Contact your local office - see details above

[www.macintyreHUDSON.co.uk](http://www.macintyreHUDSON.co.uk)

