

**REGISTERED NUMBER: 01356034 (England and Wales)**

**Group Strategic Report, Report of the Directors and  
Consolidated Financial Statements for the Year Ended 31 March 2019**

**for**

**Brightwake Limited**

**Contents of the Consolidated Financial Statements  
for the Year Ended 31 March 2019**

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**Brightwake Limited**  
**Company**  
**Information**  
**for the Year Ended 31 March 2019**

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**DIRECTORS:**

K A Allen  
Mrs V England  
S Cotton

**SECRETARY:**

Miss V C Allen

**REGISTERED OFFICE:**

Sidings Road  
Lowmoor Business Park  
Kirkby in Ashfield  
Nottinghamshire  
NG17 7JZ

**REGISTERED NUMBER:**

01356034 (England and Wales)

**AUDITORS:**

Kirk Hills  
Chartered Accountants and Statutory Auditors  
5 Barnfield Crescent  
Exeter  
Devon  
EX1 1QT

**Group Strategic Report  
for the Year Ended 31 March 2019**

The directors present their strategic report of the company and the group for the year ended 31 March 2019.

We have continued with our long term goal of building upon our original expertise in textiles technology to transform Brightwake into one of the best inventors, developers and producers of state-of-the-art medical dressings and devices under our own brands, Advancis Medical, Advancis Surgical and Advancis Veterinary as well as for third parties as a sub-contract manufacturer. The year saw the bedding in of the previous year's re-organisation of both the UK business and the group whilst maintaining our policy of continued re-investment in the group's infrastructure and R&D pipeline in order to stay at the forefront of innovative product development - for third parties as well as ourselves. Key investment for the year has been in Regulatory and Quality to ensure that the Company is ready for the change from the Medical Device Directive (MDD) to the new Medical Device Regulations (MDR). The return of bespoke machine and production line development gives us another area to develop further in the future.

**REVIEW OF BUSINESS**

The key group financial highlights are as follows (all amounts are £):

	2019	2018	2017	2016	2015	2014	2013	2012
Turnover	19.5m	18.0m	17.2m	14.9m	14.8m	14.5m	15.3m	14.8m
Gross Profit Margin	36%	36%	40%	36%	42%	43%	42%	49%
Operating Profit/(Loss)	845k	340k	644k	(224k)	1,364k	392k	826k	1,030k
Profit/(Loss) Before Tax	692k	313k	597k	(184k)	1,311k	279k	733k	995k
Net Assets	7.6m	7.0m	6.6m	5.9m	6.2m	5.1m	4.9m	4.5m

It is worth noting that the 2015 results included a one off profit on sale of asset in excess of £1.1m.

Turnover has grown by 9% in the year with the best increases seen in the UK market up 12% to £5.7m, Export (exc US) up 19% to £1.9m and OEM up 5% to £6.9m. Unfortunately, we have seen sales contract in some areas; in the US our Distributor lost a key sales channel that saw sales fall by £534k (-38%), their agreement is currently under review with a new distributor planned for 2019; our Tracheostomy Range due to overstocking by our UK Partner fell by £60k (-7%) and our Surgical Sales fell by £129k due to the suspension of our programme due to Regulatory Changes, this has been resolved in 2019 with significant sales growth expected from January 2020. In respect of our two subsidiaries Holland has remained static whilst Germany has grown to 2.7m euro up 37%. We hope in the next twelve months that despite the challenging industry conditions, that the re-launch of the surgical range and the realisation of new distribution channels in the US and France will result in continued sales growth of another 5% to take the group turnover to £20m.

The Sales split for the year is that our own brand sales represent 64% of all sales with OEM sales at 36%. Our ongoing aim is to continue to grow our own brand sales diminishing our dependence on the OEM market.

Gross Margin is not as anticipated mainly as a result of the write down of surgical raw material stock due to the delay in launch and the change in mix within OEM sales towards Negative Wound Pressure Therapy (NWPT) Systems. The NWPT system, responsible for the growth in the OEM market, has an average gross margin 3/5ths that of our own brand products. This NMPT System, designed and developed for one customer, is now in market but continues to be hampered by ongoing development changes preventing the jump from a manual process to a fully automated line along with the associated increases in manufacturing batch sizes.

In the next 12-24 months we anticipate gross margin recovery through increased productivity from the OEM NWPT

product which should see sales growth and the implementation of bespoke automated lines. Development of additional new own built production lines should also increase margin through the reduction in manual processes and waste on our own brand products.

In 2017/18 we moved our UK Sales Team to a Contract Sales Provider. This aligned with a reorganisation in our marketing and administration departments has borne fruit in 2018/19 with our own brand sales in the UK up 12%. The cost in respect of the sales team is greater, but it allowed us, to discard the administrative burden of running a 16+ sales team, whilst getting access to far better Business Intelligence.

As in previous years it is UK and EU regulatory change that is causing the greatest concern. The change from MDD to MDR will not only add cost but with the lack of Registered Body Capacity is likely to significantly slow or completely stop product development for the next 2-3 years. This to us as a developer of innovative products is of concern and will undoubtedly shift our focus to launching in the US rather than in Europe where the route to market through the FDA is significantly quicker. Our decision on a potential new distributor in 2019/20 will be made with this in mind.

**Group Strategic Report  
for the Year Ended 31 March 2019**

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Anticipated growth in our Surgical Brand was limited as we continue to await product registrations. We have completed additional trials and have several new distributors in place ready for registration completion. Other new developments such as a new range of Alginate Dressings are also delayed pending regulatory approval.

For the last 18 months we had anticipated that our Chinese Distributor would have completed registrations for both Hemosep and two of our Wound Care ranges. Whilst we have had initial orders placed, registrations are still pending due to Chinese changes with the CFDA Registration Process. We have now adjusted our expectations that these will not be in place in the next financial year.

As part of our Brexit Planning we have moved a significant element of our Finished Goods Stock to a 3PL partner in the Netherlands and to Administer all our EU customers including our German Office through our Dutch subsidiary. This reduces our UK - EU transactions from over 300/month to 1. Regardless of the Political Process this plan will be implemented in 2019/20 as it streamlines our EU Supply Chain and offers significant savings in our UK Logistics Operation.

The result for the year has been a continuation of the step change seen since 2016 with continuing changes being made in order to give the company and group a sound footing for continued growth.

In a continued period of global austerity and political and regulatory uncertainty, we have maintained our focus on developing in-house lines and controlling both our manufacturing and supply chain, allowing us to be able to produce high-specification products whilst competing with the emerging markets. We will continue to look for additional opportunities within the UK and across the globe to accelerate this growth.

**PRINCIPAL RISKS AND UNCERTAINTIES**

Continued uncertainty in the Global Market and specifically the austerity measures affecting the Healthcare Industry are of concern. This is seen in continued downward pressure on prices and margins in an increasingly competitive market place. In addition to this and becoming an ever increasing issue is both the costs and time of maintaining regulatory and registration requirements. This not only impacts on the time to market for new products potentially stifling innovation and patient care but also adding considerable overheads to the day to day costs of maintaining compliance. By strengthening our internal regulatory department and staying at the absolute forefront of technology both for products and manufacturing techniques we hope to minimise these risks.

By maintaining strong links with our customers and suppliers as well as reorganising the company and keeping control of operational costs the Company should be well positioned to withstand any future risks.

**OUTLOOK AND FUTURE DEVELOPMENTS**

We intend to establish Brightwake as a global market leader. This includes moving both our Advancis Surgical and Advancis Medical brands into the substantial markets in India, China and Brazil.

Within Advancis Surgical, we are continually developing our technology, with the aim of establishing Hemosep as a surgical standard around the world and we are currently developing downstream technologies to look at blood filtration as a way of eliminating sepsis. Such developments leave Brightwake well-placed to move even further into advanced surgical technologies.

Within Advancis Medical, continual upgrades and manufacturing developments will keep us ahead of the competition, allowing us to continue to expand our home UK market as well as our exports.

**ON BEHALF OF THE BOARD:**

S Cotton - Director

20 December 2019

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**Report of the Directors  
for the Year Ended 31 March 2019**

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The directors present their report with the financial statements of the company and the group for the year ended 31 March 2019.

**DIVIDENDS**

An interim dividend of £1.66746 per share was paid on 3 September 2018. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 March 2019 will be £ 25,012 .

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2018 to the date of this report.

K A Allen  
Mrs V England  
S Cotton

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the group and of the profit or loss of the group 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;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**AUDITORS**

The auditors, Kirk Hills, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**





**Report of the Independent Auditors to the Members of  
Brightwake Limited**

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**Opinion**

We have audited the financial statements of Brightwake Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, 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 group's and of the parent company affairs as at 31 March 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

**Opinions 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

# **Report of the Independent Auditors to the Members of Brightwake Limited**

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

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

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 Report of the Auditors.

## **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Adrian Hills ACA (Senior Statutory Auditor)  
for and on behalf of Kirk Hills  
Chartered Accountants and Statutory Auditors  
5 Barnfield Crescent  
Exeter  
Devon  
EX1 1QT



**Consolidated Income Statement  
for the Year Ended 31 March 2019**

	Notes	31.3.19 £	31.3.18 £
<b>TURNOVER</b>	3	<b>19,486,383</b>	17,982,591
Cost of sales		<b>(12,528,752)</b>	<b>(11,457,969)</b>
<b>GROSS PROFIT</b>		<b>6,957,631</b>	<b>6,524,622</b>
Distribution costs		<b>(2,499,554)</b>	<b>(2,417,176)</b>
Administrative expenses		<b>(3,705,142)</b>	<b>(3,766,934)</b>
		<b>752,935</b>	<b>340,512</b>
Other operating income		<b>92,774</b>	<b>3,381</b>
<b>OPERATING PROFIT</b>	5	<b>845,709</b>	<b>343,893</b>
Profit/(Loss) on sale of investments	6	<b>-</b>	<b>16,756</b>
		<b>845,709</b>	<b>360,649</b>
Income from interest in associated undertakings		<b>5,000</b>	<b>5,000</b>
Interest receivable and similar income		<b>879</b>	<b>342</b>
		<b>851,588</b>	<b>365,991</b>
Amounts written off investments	7	<b>(114,054)</b>	<b>-</b>
		<b>737,534</b>	<b>365,991</b>
Interest payable and similar expenses	8	<b>(44,909)</b>	<b>(52,575)</b>
<b>PROFIT BEFORE TAXATION</b>		<b>692,625</b>	<b>313,416</b>
Tax on profit	9	<b>(71,956)</b>	<b>54,539</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>620,669</b>	<b>367,955</b>
Profit attributable to: Owners of the parent		<b>620,669</b>	<b>367,955</b>

**Consolidated Other Comprehensive Income  
for the Year Ended 31 March 2019**

	Notes	<b>31.3.19</b> <b>£</b>	31.3.18 £
<b>PROFIT FOR THE YEAR</b>		<b>620,669</b>	367,955
<b>OTHER COMPREHENSIVE INCOME</b>		<b>—</b>	<b>—</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b><u>620,669</u></b>	<b><u>367,955</u></b>
Total comprehensive income attributable to: Owners of the parent		<b><u>620,669</u></b>	<b><u>367,955</u></b>

**Consolidated Balance Sheet**  
**31 March**  
**2019**

	Notes	31.3.19		31.3.18	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	12		<b>1,024,310</b>		841,773
Tangible assets	13		<b>1,368,403</b>		1,560,653
Investments	14		<b>171,081</b>		285,135
			<u><b>2,563,794</b></u>		<u>2,687,561</u>
<b>CURRENT ASSETS</b>					
Stocks	15	<b>4,369,626</b>		4,816,533	
Debtors	16	<b>3,715,537</b>		2,984,146	
Cash at bank and in hand		<b>862,983</b>		793,086	
		<u><b>8,948,146</b></u>		<u>8,593,765</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	17	<b>3,849,750</b>		<u>4,175,775</u>	
<b>NET CURRENT ASSETS</b>			<u><b>5,098,396</b></u>		<u>4,417,990</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>7,662,190</b>		7,105,551
<b>CREDITORS</b>					
Amounts falling due after more than one year	18		<b>(28,142)</b>		(50,000)
<b>PROVISIONS FOR LIABILITIES</b>	22		<b>(37,178)</b>		(54,338)
<b>NET ASSETS</b>			<u><b>7,596,870</b></u>		<u>7,001,213</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	23		<b>15,000</b>		15,000
Retained earnings	24		<b>7,581,870</b>		6,986,213
<b>SHAREHOLDERS' FUNDS</b>			<u><b>7,596,870</b></u>		<u>7,001,213</u>

The financial statements were approved by the Board of Directors on 20 December 2019 and were signed on its behalf  
by:

S Cotton - Director



**Company Balance  
Sheet  
31 March  
2019**

	Notes	31.3.19		31.3.18	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	12		<b>1,024,310</b>		841,773
Tangible assets	13		<b>1,365,373</b>		1,555,322
Investments	14		<b>181,877</b>		295,931
			<b><u>2,571,560</u></b>		<b><u>2,693,026</u></b>
<b>CURRENT ASSETS</b>					
Stocks	15	<b>4,366,203</b>		4,811,808	
Debtors	16	<b>4,116,511</b>		3,301,799	
Cash at bank and in hand		<b>644,263</b>		680,859	
		<b><u>9,126,977</u></b>		<b><u>8,794,466</u></b>	
<b>CREDITORS</b>					
Amounts falling due within one year	17	<b><u>4,161,744</u></b>		<b><u>4,158,043</u></b>	
<b>NET CURRENT ASSETS</b>			<b><u>4,965,233</u></b>		<b><u>4,636,423</u></b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>7,536,793</b>		<b>7,329,449</b>
<b>CREDITORS</b>					
Amounts falling due after more than one year	18		<b>(28,142)</b>		(50,000)
<b>PROVISIONS FOR LIABILITIES</b>	22		<b>(37,178)</b>		(54,338)
<b>NET ASSETS</b>			<b><u>7,471,473</u></b>		<b><u>7,225,111</u></b>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	23		<b>15,000</b>		15,000
Retained earnings	24		<b>7,456,473</b>		7,210,111
<b>SHAREHOLDERS' FUNDS</b>			<b><u>7,471,473</u></b>		<b><u>7,225,111</u></b>
Company's profit for the financial year			<b><u>271,374</u></b>		<b><u>253,900</u></b>

The financial statements were approved by the Board of Directors on 20 December 2019 and were signed on its behalf  
by:

S Cotton - Director

**Consolidated Statement of Changes in Equity**  
**for the Year Ended 31 March 2019**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Balance at 1 April 2017</b>	15,000	6,634,269	6,649,269
<b>Changes in equity</b>			
Dividends	-	(16,011)	(16,011)
Total comprehensive income	-	367,955	367,955
<b>Balance at 31 March 2018</b>	<u>15,000</u>	<u>6,986,213</u>	<u>7,001,213</u>
<b>Changes in equity</b>			
Dividends	-	(25,012)	(25,012)
Total comprehensive income	-	620,669	620,669
<b>Balance at 31 March 2019</b>	<u>15,000</u>	<u>7,581,870</u>	<u>7,596,870</u>

**Company Statement of Changes in  
Equity  
for the Year Ended 31 March 2019**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Balance at 1 April 2017</b>	15,000	6,972,222	6,987,222
<b>Changes in equity</b>			
Dividends	-	(16,011)	(16,011)
Total comprehensive income	-	253,900	253,900
<b>Balance at 31 March 2018</b>	<u>15,000</u>	<u>7,210,111</u>	<u>7,225,111</u>
<b>Changes in equity</b>			
Dividends	-	(25,012)	(25,012)
Total comprehensive income	-	271,374	271,374
<b>Balance at 31 March 2019</b>	<u>15,000</u>	<u>7,456,473</u>	<u>7,471,473</u>

**Consolidated Cash Flow Statement  
for the Year Ended 31 March 2019**

	Notes	31.3.19 £	31.3.18 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	928,145	830,345
Interest paid		(4,578)	(3,242)
Interest element of hire purchase payments paid		(40,331)	(49,333)
Tax paid		(38,986)	45,106
Net cash from operating activities		<u>844,250</u>	<u>822,876</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(296,917)	(140,870)
Purchase of tangible fixed assets		(265,544)	(300,657)
Sale of tangible fixed assets		14,125	47,941
Interest received		879	342
Dividends received		5,000	5,000
Net cash from investing activities		<u>(542,457)</u>	<u>(388,244)</u>
<b>Cash flows from financing activities</b>			
Finance capital repayments in year		(174,478)	(281,569)
Amount withdrawn by directors		(32,406)	(45,293)
Equity dividends paid		(25,012)	(16,011)
Net cash from financing activities		<u>(231,896)</u>	<u>(342,873)</u>
<b>Increase in cash and cash equivalents</b>		<u>69,897</u>	<u>91,759</u>
<b>Cash and cash equivalents at beginning of year</b>	2	793,086	701,327
<b>Cash and cash equivalents at end of year</b>	2	<u>862,983</u>	<u>793,086</u>

**Notes to the Consolidated Cash Flow Statement  
for the Year Ended 31 March 2019**

<b>1.</b>	<b>RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS</b>	<b>31.3.19</b>	31.3.18
		<b>£</b>	£
	Profit before taxation	<b>692,625</b>	313,416
	Depreciation charges	<b>528,280</b>	397,973
	Loss/(profit) on disposal of fixed assets	<b>5,968</b>	(38,207)
	Amounts written off investments	<b>114,054</b>	-
	Loss on intangible assets	<b>23,802</b>	-
	Finance costs	<b>44,909</b>	52,575
	Finance income	<b>(5,879)</b>	(5,342)
		<b>1,403,759</b>	720,415
	Decrease/(increase) in stocks	<b>446,907</b>	(163,662)
	Increase in trade and other debtors	<b>(586,801)</b>	(260,778)
	(Decrease)/increase in trade and other creditors	<b>(335,720)</b>	534,370
	<b>Cash generated from operations</b>	<b><u>928,145</u></b>	<b><u>830,345</u></b>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 March 2019**

	<b>31.3.19</b>	<b>1.4.18</b>
	<b>£</b>	<b>£</b>
Cash and cash equivalents	<b><u>862,983</u></b>	<b><u>793,086</u></b>

**Year ended 31 March 2018**

	31.3.18	1.4.17
	£	£
Cash and cash equivalents	<b><u>793,086</u></b>	<b><u>701,327</u></b>

**Notes to the Consolidated Financial Statements  
for the Year Ended 31 March 2019**

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**1. STATUTORY INFORMATION**

Brightwake Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in Sterling (£).

The Company is incorporated in England & Wales and its registered office is at Sidings Road, Lowmoor Business Park, Kirkby in Ashfield, Nottinghamshire.

**Basis of consolidation**

The group financial statements consolidate the financial statements of the company and its subsidiary operations drawn up to 31st March 2019. Subsidiary's are entities over which the group can exercise control.

Entities that are not subsidiaries where the group has significant influence are accounted for as associates. See the later notes within the financial statements headed "Fixed Asset Investments".

**Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

**Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied, net of returns, discounts and rebates, excluding VAT.

Where payments are made on account of material sales, those payments are treated as sundry creditors and costs incurred against that sale (including the profit element) offset against the creditor. The cost and associated profit are accounted for as turnover.

Sale of goods. Sales are made to customers with no right to return unless certain conditions regarding usage have been met. Sales are usually by credit.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Short leasehold	- 20% on cost
Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on cost

**Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. The cost formula for valuing stock is on a first-in-first-out (FIFO) basis.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income

Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 March 2019**

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2. **ACCOUNTING POLICIES - continued**

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred unless it is of a capital nature when it is treated as a fixed asset.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

**Government grants**

Grants received are accounted for using the accruals model and are initially credited to deferred income. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the asset. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

**Patents and intellectual property**

Where costs are incurred in preparing a patent (or trademark) for registration those costs are treated as patent costs and carried forward until the patent is obtained. This can be a period of some years. Once a patent is granted and sales commence, any costs in obtaining the patent are then written off over the remaining life of the patent.



**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 March 2019****2. ACCOUNTING POLICIES - continued****Financial instruments****(i) Financial assets**

Basic financial assets, including trade and other receivables are initially recognised at the transaction price and therefore stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the debtors are stated at cost less impairment losses for bad and doubtful debts.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

**(ii) Financial liabilities**

Basic financial liabilities, including trade and other payables, bank loans and other loans are initially recognised at transaction price, unless the arrangement constitutes a financing transaction.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

**3. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business is given below:

	<b>31.3.19</b>	31.3.18
	£	£
Goods and transport costs	<b>19,486,383</b>	17,982,591
	<b>19,486,383</b>	17,982,591

An analysis of turnover by geographical market is given below:

	<b>31.3.19</b>	31.3.18
	£	£
United Kingdom	<b>9,739,615</b>	9,755,103
Europe	<b>7,822,019</b>	5,710,823
United States of America	<b>1,340,980</b>	1,797,887
South America	<b>14,351</b>	-
Asia	<b>390,676</b>	552,673
Africa and Australasia	<b>178,742</b>	166,105
	<b>19,486,383</b>	17,982,591

**4. EMPLOYEES AND DIRECTORS**

	<b>31.3.19</b>	31.3.18
	£	£
Wages and salaries	<b>5,414,017</b>	5,624,073
Social security costs	<b>533,810</b>	509,659
Other pension costs	<b>115,566</b>	310,091
	<b>6,063,393</b>	6,443,823

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 March 2019**

**4. EMPLOYEES AND DIRECTORS - continued**

The average number of employees during the year was as follows:

	<b>31.3.19</b>	31.3.18
Productive	<b>173</b>	191
Sales and administration	<b>52</b>	51
Directors and management	<b>7</b>	9
	<u><b>232</b></u>	<u>251</u>

The employment costs for key management personnel were £637,559 (2018 - £635,834).

	<b>31.3.19</b>	31.3.18
	<b>£</b>	£
Directors' remuneration	<b>141,961</b>	137,566
Directors' pension contributions to money purchase schemes	<u><b>12,000</b></u>	<u>9,000</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u><b>1</b></u>	<u>1</u>
------------------------	-----------------	----------

**5. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	<b>31.3.19</b>	31.3.18
	<b>£</b>	£
Hire of plant and machinery	<b>31,746</b>	21,279
Other operating leases	<b>291,757</b>	291,656
Depreciation - owned assets	<b>355,294</b>	312,687
Depreciation - assets on hire purchase contracts	<b>82,407</b>	21,685
Loss/(profit) on disposal of fixed assets	<b>5,968</b>	(38,207)
Patents and licences amortisation	<b>90,578</b>	63,601
Auditors' remuneration	<b>14,750</b>	11,000
Foreign exchange differences	<b>(8,721)</b>	(51,600)
Subsidiary support costs	<u><b>33,815</b></u>	<u>33,092</u>

**6. EXCEPTIONAL ITEMS**

	<b>31.3.19</b>	31.3.18
	<b>£</b>	£
Profit/(Loss) on sale of investments	<u><b>-</b></u>	<u>16,756</u>

**7. AMOUNTS WRITTEN OFF INVESTMENTS**

	<b>31.3.19</b>	31.3.18
	<b>£</b>	£
Amount written off investments	<u><b>114,054</b></u>	<u>-</u>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 March 2019**

**8. INTEREST PAYABLE AND SIMILAR EXPENSES**

	<b>31.3.19</b>	31.3.18
	£	£
Bank interest	<b>1,769</b>	298
Other loan interest	<b>2,750</b>	2,944
Interest payable	<b>59</b>	-
Hire purchase	<b>40,331</b>	49,333
	<b><u>44,909</u></b>	<u>52,575</u>

**9. TAXATION**

**Analysis of the tax charge/(credit)**

The tax charge/(credit) on the profit for the year was as follows:

	<b>31.3.19</b>	31.3.18
	£	£
Current tax:		
UK corporation tax	<b>88,186</b>	(35,001)
Previous year tax adjustment	<b>1,725</b>	(31,516)
Total current tax	<b><u>89,911</u></b>	<u>(66,517)</u>
Deferred tax	<b>(17,955)</b>	11,978
Tax on profit	<b><u>71,956</u></b>	<u>(54,539)</u>

**Reconciliation of total tax charge/(credit) included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	<b>31.3.19</b>	31.3.18
	£	£
Profit before tax	<b><u>692,625</u></b>	<u>313,416</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	<b>131,599</b>	59,549
Effects of:		
Expenses not deductible for tax purposes	<b>19,854</b>	2,496
Depreciation in excess of capital allowances	<b>2,597</b>	5,023
Research and development enhancement	<b>(172,900)</b>	(183,165)
Losses carried forward	<b>7,099</b>	21,302
Difference in tax charge due to foreign subsidiary tax rates being different	<b>58,228</b>	33,162
Prior year changes	<b>1,725</b>	(31,516)
Loss of tax due cash reclaim at R & D rate of 14.5%	<b>23,754</b>	38,610
Total tax charge/(credit)	<b><u>71,956</u></b>	<u>(54,539)</u>

**10. INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

**11. DIVIDENDS**

	<b>31.3.19</b>	31.3.18
	£	£
Ordinary shares of £1 each		
Interim	<b><u>25,012</u></b>	<u>16,011</u>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 March 2019**

**12. INTANGIBLE FIXED ASSETS**

**Group**

**Patents  
and  
licences  
£**

**COST**

At 1 April 2018	1,373,557
Additions	296,917
Disposals	<u>(114,647)</u>
At 31 March 2019	<u>1,555,827</u>

**AMORTISATION**

At 1 April 2018	531,784
Amortisation for year	90,578
Eliminated on disposal	<u>(90,845)</u>
At 31 March 2019	<u>531,517</u>

**NET BOOK VALUE**

At 31 March 2019	<u>1,024,310</u>
At 31 March 2018	<u>841,773</u>

**Company**

**Patents  
and  
licences  
£**

**COST**

At 1 April 2018	1,373,557
Additions	296,917
Disposals	<u>(114,647)</u>
At 31 March 2019	<u>1,555,827</u>

**AMORTISATION**

At 1 April 2018	531,784
Amortisation for year	90,578
Eliminated on disposal	<u>(90,845)</u>
At 31 March 2019	<u>531,517</u>

**NET BOOK VALUE**

At 31 March 2019	<u>1,024,310</u>
At 31 March 2018	<u>841,773</u>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 March 2019**

**13. TANGIBLE FIXED ASSETS**

**Group**

	<b>Short leasehold £</b>	<b>Plant and machinery £</b>	<b>Fixtures and fittings £</b>	<b>Motor vehicles £</b>	<b>Totals £</b>
<b>COST</b>					
At 1 April 2018	113,291	4,799,828	273,099	154,074	5,340,292
Additions	-	243,503	1,888	20,153	265,544
Disposals	-	(533,581)	-	(60,368)	(593,949)
At 31 March 2019	<u>113,291</u>	<u>4,509,750</u>	<u>274,987</u>	<u>113,859</u>	<u>5,011,887</u>
<b>DEPRECIATION</b>					
At 1 April 2018	15,284	3,478,533	199,808	86,014	3,779,639
Charge for year	87,517	282,174	40,188	27,822	437,701
Eliminated on disposal	-	(524,830)	-	(49,026)	(573,856)
At 31 March 2019	<u>102,801</u>	<u>3,235,877</u>	<u>239,996</u>	<u>64,810</u>	<u>3,643,484</u>
<b>NET BOOK VALUE</b>					
At 31 March 2019	<u>10,490</u>	<u>1,273,873</u>	<u>34,991</u>	<u>49,049</u>	<u>1,368,403</u>
At 31 March 2018	<u>98,007</u>	<u>1,321,295</u>	<u>73,291</u>	<u>68,060</u>	<u>1,560,653</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	<b>Plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Totals £</b>
<b>COST</b>			
At 1 April 2018	778,007	20,208	798,215
Additions	39,880	18,153	58,033
Transfer to ownership	(84,630)	(20,208)	(104,838)
At 31 March 2019	<u>733,257</u>	<u>18,153</u>	<u>751,410</u>
<b>DEPRECIATION</b>			
At 1 April 2018	41,363	8,420	49,783
Charge for year	79,382	3,025	82,407
Transfer to ownership	(41,363)	(8,420)	(49,783)
At 31 March 2019	<u>79,382</u>	<u>3,025</u>	<u>82,407</u>
<b>NET BOOK VALUE</b>			
At 31 March 2019	<u>653,875</u>	<u>15,128</u>	<u>669,003</u>
At 31 March 2018	<u>736,644</u>	<u>11,788</u>	<u>748,432</u>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 March 2019**

13. **TANGIBLE FIXED ASSETS - continued**

**Company**

	<b>Short leasehold £</b>	<b>Plant and machinery £</b>	<b>Fixtures and fittings £</b>	<b>Motor vehicles £</b>	<b>Totals £</b>
<b>COST</b>					
At 1 April 2018	113,291	4,796,084	263,652	154,074	5,327,101
Additions	-	243,503	-	20,153	263,656
Disposals	-	(533,581)	-	(60,368)	(593,949)
At 31 March 2019	<u>113,291</u>	<u>4,506,006</u>	<u>263,652</u>	<u>113,859</u>	<u>4,996,808</u>
<b>DEPRECIATION</b>					
At 1 April 2018	15,284	3,477,012	193,469	86,014	3,771,779
Charge for year	87,517	281,418	36,755	27,822	433,512
Eliminated on disposal	-	(524,830)	-	(49,026)	(573,856)
At 31 March 2019	<u>102,801</u>	<u>3,233,600</u>	<u>230,224</u>	<u>64,810</u>	<u>3,631,435</u>
<b>NET BOOK VALUE</b>					
At 31 March 2019	<u>10,490</u>	<u>1,272,406</u>	<u>33,428</u>	<u>49,049</u>	<u>1,365,373</u>
At 31 March 2018	<u>98,007</u>	<u>1,319,072</u>	<u>70,183</u>	<u>68,060</u>	<u>1,555,322</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	<b>Plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Totals £</b>
<b>COST</b>			
At 1 April 2018	778,007	20,208	798,215
Additions	39,880	18,153	58,033
Transfer to ownership	(84,630)	(20,208)	(104,838)
At 31 March 2019	<u>733,257</u>	<u>18,153</u>	<u>751,410</u>
<b>DEPRECIATION</b>			
At 1 April 2018	41,363	8,420	49,783
Charge for year	79,382	3,025	82,407
Transfer to ownership	(41,363)	(8,420)	(49,783)
At 31 March 2019	<u>79,382</u>	<u>3,025</u>	<u>82,407</u>
<b>NET BOOK VALUE</b>			
At 31 March 2019	<u>653,875</u>	<u>15,128</u>	<u>669,003</u>
At 31 March 2018	<u>736,644</u>	<u>11,788</u>	<u>748,432</u>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 March 2019**

**14. FIXED ASSET INVESTMENTS**

**Group**

	<b>Unlisted investments £</b>
<b>COST OR VALUATION</b> At 1 April 2018 and 31 March 2019	<u><b>285,135</b></u>
<b>PROVISIONS</b>	
Impairments At 31 March 2019	<u><b>114,054</b></u> <u><b>114,054</b></u>
<b>NET BOOK VALUE</b> At 31 March 2019 At 31 March 2018	<u><b>171,081</b></u> <u><u>285,135</u></u>

Cost or valuation at 31 March 2019 is represented by:

		<b>Unlisted investments £</b>	
Cost		<u><b>285,135</b></u>	
<b>Company</b>			
	<b>Shares in group undertakings £</b>	<b>Unlisted investments £</b>	<b>Totals £</b>
<b>COST OR VALUATION</b> At 1 April 2018 and 31 March 2019	<u><b>10,796</b></u>	<u><b>285,135</b></u>	<u><b>295,931</b></u>
<b>PROVISIONS</b>			
Impairments At 31 March 2019	<u>-</u> <u>-</u>	<u><b>114,054</b></u> <u><b>114,054</b></u>	<u><b>114,054</b></u> <u><b>114,054</b></u>
<b>NET BOOK VALUE</b> At 31 March 2019 At 31 March 2018	<u><b>10,796</b></u> <u>10,796</u>	<u><b>171,081</b></u> <u>285,135</u>	<u><b>181,877</b></u> <u>295,931</u>

Cost or valuation at 31 March 2019 is represented by:

	<b>Shares in group undertakings £</b>	<b>Unlisted investments £</b>	<b>Totals £</b>
Cost	<u><b>10,796</b></u>	<u><b>285,135</b></u>	<u><b>295,931</b></u>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 March 2019**

**14. FIXED ASSET INVESTMENTS - continued**

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

**Subsidiaries**

**Advancis Medical Germany GmbH**

Registered office: Germany

Nature of business: Sale of medical products

Class of shares:	%
Ordinary	holding 100.00

**Advancis Medical Nederland B.V.**

Registered office: Holland

Nature of business: Sale of medical products

Class of shares:	%
Ordinary	holding 100.00

**Associated company**

**ESP Technology Limited**

Registered office:

Nature of business: Development of medical materials.

Class of shares:	%
Ordinary	holding 14.00

	<b>1.8.18</b>	1.8.17
	<b>£</b>	<b>£</b>
Aggregate capital and reserves	<b>(82,074)</b>	34,896
Loss for the year/period	<b><u>(116,970)</u></b>	<b><u>(103,014)</u></b>

**15. STOCKS**

	<b>Group</b>		<b>Company</b>	
	<b>31.3.19</b>	31.3.18	<b>31.3.19</b>	31.3.18
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Raw materials and packaging	<b>1,935,401</b>	2,126,250	<b>1,935,401</b>	2,126,250
Work in progress	<b>561,091</b>	461,387	<b>561,090</b>	461,387
Finished goods	<b>1,873,134</b>	2,228,896	<b>1,869,712</b>	2,224,171
	<b><u>4,369,626</u></b>	<u>4,816,533</u>	<b><u>4,366,203</u></b>	<u>4,811,808</u>



**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 March 2019**

**16. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	<b>31.3.19</b>	31.3.18	<b>31.3.19</b>	31.3.18
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	<b>2,375,005</b>	2,203,250	<b>2,469,848</b>	2,167,902
Amounts owed by group undertakings	-	-	<b>459,178</b>	515,270
Other debtors	<b>566,445</b>	117,607	<b>534,222</b>	74,058
Directors' loan accounts	<b>156,512</b>	124,106	<b>156,512</b>	124,106
Tax	<b>231,769</b>	155,925	<b>231,769</b>	155,925
VAT	<b>25,080</b>	-	<b>22,614</b>	-
Prepayments and accrued income	<b>242,368</b>	264,538	<b>242,368</b>	264,538
	<b><u>3,597,179</u></b>	<b><u>2,865,426</u></b>	<b><u>4,116,511</u></b>	<b><u>3,301,799</u></b>
Amounts falling due after more than one year:				
Tax	<b><u>118,358</u></b>	<u>118,720</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<b><u>3,715,537</u></b>	<b><u>2,984,146</u></b>	<b><u>4,116,511</u></b>	<b><u>3,301,799</u></b>

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	<b>31.3.19</b>	31.3.18	<b>31.3.19</b>	31.3.18
	£	£	£	£
Hire purchase contracts (see note 19)	<b>62,461</b>	215,081	<b>62,461</b>	215,081
Trade creditors	<b>2,830,885</b>	2,641,320	<b>2,793,790</b>	2,587,799
Amounts owed to group undertakings	-	-	<b>599,440</b>	152,710
Tax	<b>235,365</b>	79,785	<b>28,878</b>	3,995
Social security and other taxes	<b>133,519</b>	161,175	<b>126,260</b>	154,907
VAT	-	112,051	-	110,930
Other creditors	<b>446,847</b>	364,579	<b>410,242</b>	330,837
Accruals and deferred income	<b>36,381</b>	470,773	<b>36,381</b>	470,773
Accrued expenses	<b>104,292</b>	131,011	<b>104,292</b>	131,011
	<b><u>3,849,750</u></b>	<b><u>4,175,775</u></b>	<b><u>4,161,744</u></b>	<b><u>4,158,043</u></b>

**18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	<b>31.3.19</b>	31.3.18	<b>31.3.19</b>	31.3.18
	£	£	£	£
Hire purchase contracts (see note 19)	<b><u>28,142</u></b>	<u>50,000</u>	<b><u>28,142</u></b>	<u>50,000</u>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 March 2019**

**19. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

**Group**

	<b>Hire purchase contracts</b>	
	<b>31.3.19</b>	<b>31.3.18</b>
	<b>£</b>	<b>£</b>
Net obligations repayable:		
Within one year	<b>62,461</b>	215,081
Between one and five years	<b>28,142</b>	50,000
	<b><u>90,603</u></b>	<b><u>265,081</u></b>

**Company**

	<b>Hire purchase contracts</b>	
	<b>31.3.19</b>	<b>31.3.18</b>
	<b>£</b>	<b>£</b>
Net obligations repayable:		
Within one year	<b>62,461</b>	215,081
Between one and five years	<b>28,142</b>	50,000
	<b><u>90,603</u></b>	<b><u>265,081</u></b>

**Group**

	<b>Non-cancellable operating leases</b>	
	<b>31.3.19</b>	<b>31.3.18</b>
	<b>£</b>	<b>£</b>
Within one year	<b>13,877</b>	-
Between one and five years	<b>166,331</b>	191,679
	<b><u>180,208</u></b>	<b><u>191,679</u></b>

**Company**

	<b>Non-cancellable operating leases</b>	
	<b>31.3.19</b>	<b>31.3.18</b>
	<b>£</b>	<b>£</b>
Within one year	<b>8,475</b>	-
Between one and five years	<b>80,231</b>	103,558
	<b><u>88,706</u></b>	<b><u>103,558</u></b>

**20. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>Group</b>		<b>Company</b>	
	<b>31.3.19</b>	<b>31.3.18</b>	<b>31.3.19</b>	<b>31.3.18</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Hire purchase contracts	<b><u>90,603</u></b>	<b><u>265,081</u></b>	<b><u>90,603</u></b>	<b><u>265,081</u></b>

Loans and overdrafts to the Company's bankers are secured by a fixed charge over any freehold property, leasehold property and book debts and a floating charge over all other assets.

Hire purchase and other asset loans are secured against the assets which the loans were used to purchase.

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 March 2019**

**21. FINANCIAL INSTRUMENTS**

Financial Assets

Debt instruments measured at amortised cost of £3,322,497 (2018 - £2,203,249) for the group.

Debt instruments measured at amortised cost of £3,874,052 (2018 - £2,167,902) for the company.

Financial Liabilities

Measured at amortised cost of £4,336,433 (2018 - £2,906,401) for the group.

Measured at amortised cost of £3,486,153 (2018 - £2,852,881) for the company.

**22. PROVISIONS FOR LIABILITIES**

	<b>Group</b>		<b>Company</b>	
	<b>31.3.19</b>	31.3.18	<b>31.3.19</b>	31.3.18
	<b>£</b>	£	<b>£</b>	£
Deferred tax				
Accelerated capital allowances	<b>37,178</b>	130,629	<b>37,178</b>	130,629
Tax losses carried forward	-	(76,291)	-	(76,291)
	<u><b>37,178</b></u>	<u>54,338</u>	<u><b>37,178</b></u>	<u>54,338</u>

**Group**

Balance at 1 April 2018  
Advance capital allowances  
Company tax losses`  
Balance at 31 March 2019

**Deferred  
tax  
£  
54,338  
(17,160)  
37,178**

**Company**

Balance at 1 April 2018  
Advance capital allowances  
Tax losses  
Balance at 31 March 2019

**Deferred  
tax  
£  
54,338  
(17,160)  
37,178**

**23. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	<b>31.3.19</b>	31.3.18
			<b>£</b>	£
15,000	Ordinary	£1	<u><b>15,000</b></u>	<u>15,000</u>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 March 2019**

**24. RESERVES**

**Group**

**Retained  
earnings  
£**

At 1 April 2018	6,986,213
Profit for the year	620,669
Dividends	<u>(25,012)</u>
At 31 March 2019	<u><u>7,581,870</u></u>

**Company**

**Retained  
earnings  
£**

At 1 April 2018	7,210,111
Profit for the year	271,374
Dividends	<u>(25,012)</u>
At 31 March 2019	<u><u>7,456,473</u></u>

**25. CAPITAL COMMITMENTS**

At the year end, the Company had entered into an obligation to purchase two vehicles with a combined cost of £97,590. The group had no additional capital commitments.

**26. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to a director subsisted during the years ended 31 March 2019 and 31 March 2018:

	<b>31.3.19</b>	31.3.18
	<b>£</b>	£
<b>K A Allen</b>		
Balance outstanding at start of year	<b>124,106</b>	78,813
Amounts advanced	<b>32,406</b>	45,293
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u><b>156,512</b></u>	<u>124,106</u>

The director withdrew monies in the year mainly in respect of his personal expenses.

**27. RELATED PARTY DISCLOSURES**

The holding company rents its premises from a pension fund set up for the benefit of the directors. The annual rental is £222,000. There was no rent outstanding at the year end.

At the year end there is a value of work in progress of £280,496 (2018:£280,496) and other creditors of £285,135 (2018:£285,135) in respect of ESP Technology Limited. Both of these balances are unchanged due to delays caused by legislation changes and the Medical Device Directive.

**28. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is K A Allen.