

Registered number: 05137144

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**SMITHS MEDICAL GROUP LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2020**



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**SMITHS MEDICAL GROUP LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	Gregory McGrath Louis Jones Nigel Bark
<b>Company secretary</b>	Joanne Ede
<b>Registered number</b>	05137144
<b>Registered office</b>	1500 Eureka Park Lower Pemberton  Ashford Kent TN25 4BF
<b>Independent auditors</b>	PricewaterhouseCoopers LLP 1 Embankment Place  London  WC2 6RH

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**SMITHS MEDICAL GROUP LIMITED**

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**SMITHS MEDICAL GROUP LIMITED**

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**STRATEGIC REPORT  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2020**

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**Introduction**

The directors present their Strategic Report on Smiths Medical Group Limited for the year ended 31 July 2020.

**Business review**

The Company's principal source of income is dividends from subsidiaries and interest from group undertakings.

The Company's profit after tax for the financial year is £3,987k (2019: £178,892k) and turnover of £nil (2019: £nil). The profit and loss account as at 31 July 2020 amounted to £414,622k (2019: £410,635k) and net assets are £1,269,603k (2019: £1,265,616k).

**Principal risks and uncertainties**

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of Smiths Group plc and are not managed separately. Accordingly, the principal risks and uncertainties of Smiths Group plc, which include those of the Company, are discussed in the Group's annual report, which do not form part of this report.

**Financial key performance indicators**

The directors of Smiths Group plc manage the Group's operations on a consolidated basis using divisional KPI's. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate. The development, performance and position of Smiths Group plc is discussed in the Group's annual report, which does not form part of this report.

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



**Louis Jones**  
Director

Date: 16/8/2021

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**SMITHS MEDICAL GROUP LIMITED**

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**DIRECTORS' REPORT  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2020**

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The directors present their report and the financial statements for the financial year ended 31 July 2020.

**Directors' responsibilities statement**

The directors are responsible for preparing the Annual 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS101 "Reduced Disclosure Framework", 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 of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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.

**Principal activity**

The Company's principal activity is that of an investment holding company, based and registered in the UK.

**Results and dividends**

The profit for the financial year, after taxation, amounted to £3,987k (2019 - £178,892k).

No dividends (2019: £nil) were authorised or paid during the year. The Directors do not recommend payment of a dividend for the year ended 31 July 2020 (2019: £nil).

**Directors**

The directors who served during the financial year were:

Gregory McGrath  
Louis Jones  
Nigel Bark

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**SMITHS MEDICAL GROUP LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2020**

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**Future developments**

It is not envisaged that the company will initiate any plans to alter its principal activity and will maintain its current level of performance in the forthcoming financial year.

**Financial instruments**

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire.

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Post balance sheet events**

Although Smiths Groups plan to separate the Medical business has been delayed by COVID 19, this intention remain unchanged and the separation, likely by way of a separate listing, is expected to occur before 31<sup>st</sup> July 2021.

Following the exit of the UK from the European Union ('EU') on 31 January 2020, the 12 months transition period ended on 31 December 2020 with the UK leaving the EU after negotiating a trade deal. The directors believe there has been no impact on the company as it does not carry out any trading and is therefore not directly impacted by the UK's exit from the EU. The directors have also determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31 July 2020 have not been adjusted.

**Independent Auditors**

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



Louis Jones  
Director

Date: 16/4/2021

# ***Independent auditors' report to the members of Smiths Medical Group Limited***

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, Smiths Medical Group Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 July 2020; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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### **Material uncertainty related to going concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2.3 to the financial statements concerning the company's ability to continue as a going concern. The Company's parent has guaranteed financial support for the lower of 12 months from the date of the approval of the financial statements or the date that the Company is demerged, which is expected during the period. This support is therefore not being guaranteed to cover a 12 month period from the date of the approval of the financial statements. Without this support, the Company may be unable to meet its liabilities as they fall due. These conditions, along with the other matters explained in note 2.3 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

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### **Reporting on other information**

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

# ***Independent auditors' report to the members of Smiths Medical Group Limited***

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

## ***Strategic Report and Directors' Report***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 July 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

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## **Responsibilities for the financial statements and the audit**

### ***Responsibilities of the directors for the financial statements***

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

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

### ***Auditors' responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

### ***Use of this report***

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



# ***Independent auditors' report to the members of Smiths Medical Group Limited***

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## **Other required reporting**

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### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

*A. Barford*

Andrew Barford (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
16 April 2021

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SMITHS MEDICAL GROUP LIMITED

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STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2020

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	Note	2020 £000	2019 £000
Income from shares in group undertakings		5,118	155,381
Amounts written off investments		(14,001)	(704)
Interest receivable and similar income	7	36,804	42,903
Interest payable and similar expenses	8	(22,937)	(18,992)
Other finance (expense)/income		(997)	304
<b>Profit before taxation</b>		<b>3,987</b>	<b>178,892</b>
Tax on profit	9	-	-
<b>Profit for the financial year</b>		<b>3,987</b>	<b>178,892</b>
<b>Total comprehensive income for the financial year</b>		<b>3,987</b>	<b>178,892</b>

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

The notes on pages 10 to 22 form part of these financial statements.

**SMITHS MEDICAL GROUP LIMITED**  
**REGISTERED NUMBER: 05137144**

**BALANCE SHEET**  
**AS AT 31 JULY 2020**

	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Investments	10	360,992	355,567
		<u>360,992</u>	<u>355,567</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	11	1,082,482	482,738
Debtors: amounts falling due within one year	11	865,648	1,507,546
Cash at bank and in hand	12	109	53
		<u>1,948,239</u>	<u>1,990,337</u>
Creditors: amounts falling due within one year	13	(1,038,899)	(1,079,559)
<b>Net current assets</b>		<u>909,340</u>	<u>910,778</u>
<b>Total assets less current liabilities</b>		<u>1,270,332</u>	<u>1,266,345</u>
<b>Provisions for liabilities</b>			
Tax provisions	15	(729)	(729)
		<u>(729)</u>	<u>(729)</u>
<b>Net assets</b>		<u>1,269,603</u>	<u>1,265,616</u>
<b>Capital and reserves</b>			
Called up share capital	16	-	-
Share premium account		854,981	854,981
Profit and loss account		414,622	410,635
<b>Total equity</b>		<u>1,269,603</u>	<u>1,265,616</u>

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

  
Louis Jones  
Director |

Date: 16/8/2021 |

The notes on pages 10 to 22 form part of these financial statements.

**SMITHS MEDICAL GROUP LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2020**

	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 August 2018	854,981	231,743	1,086,724
<b>Comprehensive income for the financial year</b>			
Profit for the financial year	-	178,892	178,892
<b>Total comprehensive income for the financial year</b>	-	178,892	178,892
<b>Total transactions with owners</b>	-	-	-
At 31 July 2019	854,981	410,635	1,265,616
<b>Comprehensive income for the financial year</b>			
Profit for the financial year	-	3,987	3,987
<b>Other comprehensive income for the financial year</b>	-	-	-
<b>Total comprehensive income for the financial year</b>	-	3,987	3,987
<b>Total transactions with owners</b>	-	-	-
At 31 July 2020	854,981	414,622	1,269,603

The notes on pages 10 to 22 form part of these financial statements.

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## SMITHS MEDICAL GROUP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 JULY 2020

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#### 1. General information

The Company's principal activity is that of an investment holding company. Smiths Medical Group Limited is a private company limited by shares and registered, incorporated, and domiciled in England, UK. The registered office address is 1500 Eureka Park, Lower Pemberton, Ashford, Kent, TN25 4BF.

As the Company is an indirectly wholly owned subsidiary of Smiths Group plc which prepares publicly available consolidated group financial statements, the Company has not prepared consolidated financial statements as permitted by Section 400 of the Companies Act 2006.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

##### 2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors'
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraphs 76 and 79(d) of IAS 40 Investment Property
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

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**SMITHS MEDICAL GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2020**

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**2. Accounting policies (continued)**

**2.3 Going concern**

These financial statements have been prepared on a going concern basis and under the historical cost convention (as modified to include revaluation of certain financial instruments).

The Company relies on its ultimate parent, Smiths Group Plc, for funding. The Company has obtained a letter of support from the ultimate parent, Smiths Group Plc, to ensure that the Company can meet its liabilities as they fall due for a period of at least 12 months from the date of the approval of the financial statements. In light of the ongoing demerger process of the Smiths Medical business, including the Company, there is uncertainty over the eventuality and timing of any demerger of the Company within that 12 month period. In the event of demerger of the Company, the letter of support provided by the ultimate parent Smith Group Plc, will cease. As at the date of approval of these financial statements, the directors are not aware of the financing arrangements that may be put in place by any new owner, and consequently there is uncertainty over whether the Company will be able to meet those obligations as they fall due for a period of at least 12 months from the date of the approval of the financial statements. These circumstances indicate the existence of a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern. These financial statements do not contain the adjustments that would be necessary if the Company were unable to continue as a going concern.

**2.4 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentation 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.

**2.5 Interest receivable and similar income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

**2.6 Interest payable and similar expenses**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

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**SMITHS MEDICAL GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2020**

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**2. Accounting policies (continued)**

**2.7 Taxation**

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

**2.8 Income from shares in subsidiary undertakings**

Income from shares in subsidiary undertakings are received as dividends. Dividend income is recognised when the right to receive payment is established.

**2.9 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment. Impairment review is carried out annually - see note 3.

**2.10 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.11 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.12 Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

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**SMITHS MEDICAL GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2020**

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**2. Accounting policies (continued)**

**2.13 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

**2.14 Financial instruments**

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

**Financial assets**

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

**Fair value through profit or loss**

All of the Company's financial assets other than those which meet the criteria to be measured at amortised cost are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

**Debt instruments at amortised cost**

Debt instruments are subsequently measured at amortised cost where they are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortised cost is calculated using the effective interest method and represents the amount measured at initial recognition less repayments of principal plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

**Impairment of financial assets**

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised or at FVOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.



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**SMITHS MEDICAL GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2020**

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**2. Accounting policies (continued)**

**2.14 Financial instruments (continued)**

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

**Financial liabilities**

**Fair value through profit or loss**

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

**At amortised cost**

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

**2.15 Share capital**

Ordinary shares are classified as equity. Preference shares are classified as liabilities. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**2.16 Share premium**

The share premium account is the difference in price received for issued shares and the par value.

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**SMITHS MEDICAL GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2020**

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**2. Accounting policies (continued)**

**2.17 Profit and loss account**

The profit and loss account reflects the accumulated net income of the Company.

**3. Financial risk management policy**

**Credit risk** - Financial instruments which potentially expose the company to a concentration of credit risk comprise primarily of cash equivalents and debtors. Cash equivalents are deposited with high credit quality financial institutions. The company provides credit to some customers in the normal course of business. Collateral is not required from those debtors, but ongoing credit evaluation of credit quality of financial institutions is performed. The company maintains a provision for impairment based upon the expected collectability of debtors. The company sells products and services to a wide range of customers and, therefore, believes there is no material concentration of credit risk.

**Liquidity risk** - The company does not engage in any trading activity as such it does not keep liquid cash and cash equivalents. The company liabilities are all intercompany loans payable which are covered by intercompany receivables recoverables on demand. Recoverability of the receivables is assessed periodically to make sure there are no high liquidity risks.

**4. Judgments in applying accounting policies and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Impairment of investments** - Investments in subsidiaries are annually tested for impairment. Investments are impaired if the recoverable amount of investments are lower than the carrying amount. The recoverable amount of investments are based on value in use calculations which require the use of estimates, including projected future cash-flows and other future events.

**5. Auditors' remuneration**

The audit fee in respect of this Company has been borne by Smiths Medical International Limited. Auditors' remuneration for non-audit services was £nil (2019: £nil).

**6. Employees**

The Company has no employees (2019 - no employees) other than the directors, who did not receive any remuneration (2019 - £NIL) in respect of their services to the company which in the view of management are of negligible value.

**SMITHS MEDICAL GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2020**

**7. Interest receivable and similar income**

	2020 £000	2019 £000
Interest receivable from group companies -	36,807	42,903
Other interest receivable	(3)	-
	36,804	42,903

**8. Interest payable and similar expenses**

	2020 £000	2019 £000
Loans from group undertakings	22,937	18,992
	22,937	18,992

**9. Tax on profit**

	2020 £000	2019 £000
<b>Total current tax</b>	-	-

**Factors affecting tax credit for the financial year**

The tax assessed for the financial year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%). The differences are explained below:

	2020 £000	2019 £000
Profit before tax	3,987	178,892
Profit before tax multiplied by standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%)	758	33,989
<b>Effects of:</b>		
Non-taxable income	(758)	(29,522)
Group relief received for no consideration	-	(4,467)
<b>Total tax credit for the financial year</b>	-	-

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**SMITHS MEDICAL GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**9. Tax on profit (continued)**

**Factors that may affect future tax charges**

Smiths Group plc does not require UK companies to compensate the surrendering company for the receipt of group relief. As a result, no payments or receipts in respect of group relief have been accrued in the current or prior year, and no payments or receipts will be recognised in future years if other group companies have losses available to surrender.

**10. Investments**

	<b>Investments in subsidiary companies £000</b>
<b>Cost or valuation</b>	
At 1 August 2019	510,577
Additions	19,426
At 31 July 2020	<u>530,003</u>
<b>Impairment</b>	
At 1 August 2019	155,010
Charge for the period	14,001
At 31 July 2020	<u>169,011</u>
<b>Net book value</b>	
At 31 July 2020	<u>360,992</u>
At 31 July 2019	<u>355,567</u>

During the year there were additional investments in Smiths Medical (Beijing) Co. Ltd of £14,001,476 and Smiths Medical (Shanghai) Co. Ltd of £5,424,675.

Investment in Smiths Medical (Beijing) Co. Ltd has subsequently been fully impaired as it will be liquidated in financial year ending 31 July 2021.

**SMITHS MEDICAL GROUP LIMITED**

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**10. Investments (continued)**

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Smiths Medical International Limited	1500 Eureka Park, Lower Pemberton, Ashford, Kent, TN25 4BF	Healthcare Trading	Ordinary	100%
SI Overseas Holdings Limited	1500 Eureka Park, Lower Pemberton, Ashford, Kent, TN25 4BF	Holding Entity	Ordinary	100%
Smiths Medical ASD Inc	1679 Dupont Highway, Suite 100, Dover, DE, 19901	Holding Entity	Ordinary	100%
Smiths Medical France S.A.S	3/5 Rue Du Pont Des Halles, Batiment A, Rungis, 94150	Healthcare Trading	Ordinary	100%
Smiths Medical Schweiz AG	Zurichstrasse 33, Adliswil, 8134	Healthcare Trading	Ordinary	100%
Smiths Medical Sverige AB	Box 1143, 16422 Kista	Healthcare Trading	Ordinary	100%
Smiths Medical Osterreich GmbH	Campus 21, Europairing A 03 5 02, Brunn Am Gebirge, A-2345	Healthcare Trading	Ordinary	100%
Smiths Medical Nederland B.V.	Jagersbosstraat 28, 5241 Jt Rosmalen	Healthcare Trading	Ordinary	100%
Smiths Group Deutschland GmbH	Bretonischer Ring 3, Grasbrunn, 85630	Healthcare Trading	Ordinary	100%
Smiths Medical Belgium NV	Pegasuslaan 5, Diegem, 1831	Healthcare Trading	Ordinary	0.8%
Smiths Medical (Shanghai) Co. Ltd	Unit 2805, Tower J Jing An Kerry Centre, 1228 Middle Yan An Zhong Road, Shanghai, 200040	Healthcare Trading	Ordinary	100%
Smiths Medical Brasil LTDA	Industrial District of The City of Rio Claro, State of Sao Paulo, AV. Brasil Number 4.700, Cep 13505-600	Healthcare Trading	Ordinary	100%
Smiths Medical Italia srl	Via Della Stazione, 2, 04013 Latina Scalo, Latina	Healthcare Trading	Ordinary	100%
Smiths Medical Espana S.L.	Av Diagonal, Num.635 P.1, Barcelona, 08028	Healthcare Trading	Ordinary	100%
Smiths Medical Australasia Pty Ltd	Suite 201, Level 2, 10 Norbrik Drive, Bella Vista, NSW 2153	Healthcare Trading	Ordinary	100%
Smiths Medical Danmark Aps	Orestads Boulevard 73, 2300 Kobenhavn S	Healthcare Trading	Ordinary	100%
Smiths Medical Japan Ltd	7-1-1, Akasaka, Minato-Ku, Tokyo	Healthcare Trading	Ordinary	90%

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**SMITHS MEDICAL GROUP LIMITED**

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FOR THE FINANCIAL YEAR ENDED 31 JULY 2020**

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**10. Investments (continued)**

**Subsidiary undertakings (continued)**

<b>Name</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Smiths Medical Instrument (Zhejiang) Co. Ltd	No. 26, The 3rd Avenue, Economic & Technological Development Area, Hangzhou	Healthcare Trading	Ordinary	100%
Graseby Medical Ireland Limited	Suite 3, One Earlsfort Centre, Earlsfort Terrace, Dublin 2	Healthcare Trading	Ordinary	100%
Smiths Medical (Portugal), Unipessoal Lda	Avenida Engenheiro Duarte Pacheco, Amoreiras, Torre 2, 15 A, Campo De Ourique, Lisboa, 1070-102	Healthcare Trading	Ordinary	100%
Smiths Medical (Beijing) Co. Ltd	Unit 3018, South Tower, Beijing Kerry Centre, 1, Guanghua Road, Chaoyang District, Beijing	Healthcare Trading	Ordinary	100%
Smiths Medical India Private Ltd	508/509, 5th Floor, Western Edge li, Western Express Highway, Borivali East, Mumbai, 4000666	Healthcare Trading	Ordinary	1%
Smiths Medical Singapore Pte. Limited	80 Raffles Place, Uob Plaza 1, #32-01, 048624	Healthcare Trading	Ordinary	100%
Smiths Medical Czech Republic A.S.	Olomoucka 306, Hranice I-Mesto, Hranice, 75301	Healthcare Trading	Ordinary	100%

All investments are held directly.

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SMITHS MEDICAL GROUP LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
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11. Debtors

	2020 £000	2019 £000
<b>Amounts falling due after more than one year</b>		
Amounts owed by group undertakings	1,082,482	482,738
	<u>1,082,482</u>	<u>482,738</u>

Amounts owed by group undertakings are unsecured and payable on demand. £1,065,379,000 (2019: £477,272,000) bearing interest at 12 month GBP LIBID, £17,103,000 (2019: £nil) bearing interest at 3 month EUR LIBOR +1.6%, £nil (2019: £5,466,000) bearing interest at 12 month EURIBOR plus 2.25%.

	2020 £000	2019 £000
<b>Amounts falling due within one year</b>		
Amounts owed by group undertakings	863,718	1,505,616
Other debtors	1,930	1,930
	<u>865,648</u>	<u>1,507,546</u>

Amounts owed by group undertakings are unsecured and payable on demand. £858,317,000 (2019: £939,259,000) bearing interest rate of 12 month USD LIBOR plus 1.1% (2019: 3.15%), £nil (2019: £566,357,000) bearing interest at 12 month GBP LIBID, £5,401,000 (2019: £nil) bearing interest at 12 month EURIBOR plus 2.25%.

12. Cash at bank and in hand

	2020 £000	2019 £000
Cash at bank and in hand	109	53
	<u>109</u>	<u>53</u>

**SMITHS MEDICAL GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2020**

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

	2020 £000	2019 £000
Amounts owed to group undertakings	1,038,899	1,079,559
	1,038,899	1,079,559

Amounts owed to group undertakings are unsecured and payable on demand. £858,318,000 (2019: £920,510,000 plus interest accrued as at 31 July 2019 £9,106,000) bearing interest at 12 month USD LIBOR plus 1.50%, £153,601,000 (2019: £140,001,000) bearing interest at 12 month GBP LIBID, and £5,401,000 (2019: £5,466,000) bearing interest at 12 month EURIBOR plus 1.50%, £17,103,000 (2019: nil) bearing interest at 3 month EUR LIBOR plus 1.60%. £4,476,000 (2019: £4,476,000) is interest free.

**14. Financial instruments**

	2020 £000	2019 £000
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	109	53
Financial assets that are debt instruments measured at amortised cost	1,948,130	1,990,284
	1,948,239	1,990,337
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(1,038,899)	(1,079,559)

Financial assets measured at fair value through profit or loss comprise bank balances.

Financial assets measured at amortised cost comprise intercompany balances.

Financial liabilities measured at amortised cost comprise intercompany balances.



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**SMITHS MEDICAL GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. Tax provisions**

	Tax provisions £000
At 1 August 2019	729
At 31 July 2020	<u>729</u>

This has been provided to allow for any additional tax liabilities which may arise as the result of tax audits of the Company and/or its subsidiaries.

**16. Called up share capital**

	2020 £000	2019 £000
<b>Allotted, called up and fully paid</b>		
225 (2019 - 225) Ordinary A shares of £1 each	-	-
48 (2019 - 48) Ordinary B shares of £1 each	-	-
143 (2019 - 143) Ordinary C shares of £1 each	-	-
	<u>-</u>	<u>-</u>

**17. Guarantees**

The Company entered a Composite Accounting Agreement with Barclays Bank PLC on 10 February 2010. Each participating company has provided a guarantee to the bank. Under the terms of the Agreement and the guarantees, the bank is authorised to allow set-off for interest purposes and in certain circumstances to seize credit balances and apply them in reduction of liabilities including debit balances within the Composite Accounting System.

**18. Controlling party**

For the year ended 31 July 2020, Smiths Medical Group Limited was a wholly owned subsidiary of Smiths Medical 2020.

The ultimate parent undertaking and controlling party is Smiths Group plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Smiths Group plc is incorporated in the United Kingdom and registered in England and Wales.

The annual report and financial statements of Smiths Group plc may be obtained from the Company Secretary, Smiths Group plc, 4th Floor, 11-12 St James's Square, London, SW1Y 4LB.