

**UNOMEDICAL LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

Registered number: 00976940

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**Unomedical Limited**

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# Unomedical Limited

## Strategic report

The directors, in preparing this Strategic report, have complied with s414C of the Companies Act 2006.

### Key performance indicators and review of business

The Company's principal activities are the sale and distribution of single use medical devices.

Turnover decreased by £1,458k to £11,982k (2020: 13,440k), being a 10.8% decrease, primarily driven by high demand for critical care products used in ICUs in the year ended 31 December 2020 due to the onset of COVID-19. Trends in critical care products turned negative in the later part of the year ended 31 December 2021, as demand for critical care products began to normalise. Gross margin remained in line with the prior year at 28.7% (2020: 28.0%), with the marginal increase reflecting slight deviations in the mix of sales.

The loss for the year after taxation was £8k (2020: 1,419k profit), including a loss of £879k (2020: nil) on settlement of the defined benefit pension scheme and £312k (2020: £320k) of expenses paid in relation to the scheme. Such costs will not be incurred in future years as all legal and constructive obligations of the scheme have now been discharged.

The balance sheet of the financial statements shows that the Company's financial position at the year-end has improved in net assets terms by £1,153k to £17,016k due to the £1,161k gain recognised in other comprehensive income in relation to actuarial gains and unwinding of the pension asset restriction upon settlement, net against the loss for the year. Debtor sales days outstanding increased marginally to 42 days (2020: 39 days) due to timing differences. Purchase days outstanding decreased to 65 days (2020: 75 days), the prior year comparative was inflated as a result of supplier invoices being received late in the year ended 31 December 2020.

Within the UK market, manufacturing and commercial activities are reported separately, however key KPIs such as sales by category (see note 3), gross profit (see profit and loss account, page 9), operating profit (see profit and loss account, page 9), debtor and creditor days are monitored on a monthly, quarterly and annual basis for each reporting sector.

### Defined benefit pension scheme

The Company operated a defined benefit scheme in the UK, which was closed and fully funded. On 24 March 2020, the Trustee of the UK plan completed a buy-in transaction whereby the assets of the plan were invested in a bulk purchase annuity policy with the insurer Aviva Life & Pensions UK Limited ("Aviva"), under which the benefits payable to defined benefit members were fully insured. On 30 March 2020, the scheme paid £10.2 million to Aviva to fund the buy-in premium.

The buy-out was transacted on 12 November 2021, where the Company received £1.6 million for settlement. The pension scheme was ultimately terminated on 16 December 2021. All members of the UK plan have their benefits secured with Aviva, discharging all of the Company's legal and constructive obligations and leading to derecognition of the defined benefit assets and liabilities. The buy-out resulted in a loss of £879k on settlement which has been recognised in administrative expenses in the year ended 31 December 2021.

### Post-balance sheet event and future developments

On 12 May 2022, following a strategic review of the Critical Care business, the Group announced its decision to withdraw from hospital care and related industrial sales activities over the remainder of 2022, due to significant challenges faced as a result of the geopolitical situation created by the war in Ukraine.

In the year ended 31 December 2021, £9,211k of the Company's revenue was related to hospital care and related industrial sales activities. Given the phased exit from hospital care and industrial sales products, revenue in the year ended 31 December 2022 is expected to decrease by up to 25% of the FY2021 levels. It is also not expected that there will be any material inventory write-offs in 2022 as a result of the phased exit from the UK market.

In the year ended 31 December 2023, there is expected to be no revenue from hospital care and related industrial sales activities. Given that the Company's cost base is predominantly variable costs and intercompany recharges calculated based on revenue, it is expected that costs will decrease in line with revenue and the Company will continue to be profitable.

## Strategic report (continued)

### Principal risks and uncertainties

The principal risk and uncertainties that the business faces are increased competition in the sector and, in the future, the Company's performance will be affected by the developments in the health care market and government policies.

In the UK, decentralisation of large portions of the National Health Service (NHS) is encouraging new business and contracting models involving economic decision makers. Reforms creating internal and external market forces on healthcare delivery, shifting care "closer to home" to less expensive settings and increasing focus on prevention and management of chronic disease, are changing the landscape in which we sell.

Approved and signed on behalf of the Board

DocuSigned by:

*Fiona Ryder*



Signer Name: Fiona Ryder

Signing Reason: I approve this document

Fiona Ryder  
Director

Signing Time: Aug 9, 2022 | 3:02:14 PM BST

9 August 2022 4BB27C4B00CE4E1782D6D55B46DED41F

GDC Building, First Avenue  
Deeside Industrial Park  
Deeside, Flintshire, CH5 2NU

# Unomedical Limited

## Directors' report

The directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 31 December 2021.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report on page 1 and 2.

### Going concern

Having considered the Company's business activities, principal risks, uncertainties and the current uncertain economic environment, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months from when the financial statements are authorised for issue.

The directors have assessed the impact of the announcement to exit the hospital care and related industrial sales activities and determined that the Company continues to be a going concern. Given that the Company's cost base is predominantly variable costs and intercompany recharges calculated based on revenue, it is expected that costs will decrease in line with revenue and the Company will continue to be profitable.

The Group, through Convatec Finance Holdings Limited, held a 5-year credit facility of \$1.0 billion at 31 December 2021 which is subject to certain covenants. The credit facility is secured against certain companies within the Group, including Unomedical Limited and its subsidiaries.

If the Group were to default on the credit facility, this could threaten the ability of the Company to continue as a going concern. Given the Group's continued robust financial performance and strong liquidity position, the directors of Unomedical Limited are satisfied that the Group has adequate liquid resources to meet their respective liabilities as they become due. Further details can be found in Convatec Group Plc's annual report at: <https://www.convatecgroup.com/investors/reports/>.

Thus, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

### Financial risk management objectives and policies

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

#### Cash flow risk

The Company is exposed to risks of changes in foreign currency exchange rates and interest rates. In connection with the Group's risk management strategy, risks are managed centrally through Convatec Finance Holdings Limited and the Company does not trade speculatively. Cash pooling in place in the Company's functional currency.

#### Credit risk

The Company's principal financial assets are cash at bank, and trade and other receivables.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

#### Liquidity risk

The Group operates cash pooling and sweeping solutions to manage short term liquidity requirements in its subsidiaries, including the Company. This mechanism ensures that sufficient funds are available for ongoing operations and future developments.

### Directors

The directors who served during the year and to the date of this report, unless otherwise indicated, are as follows:

C Sedwell	(resigned 26 February 2021)
C Bates	(resigned 16 April 2021)
S Marsden	(appointed 16 April 2021, resigned 28 March 2022)
J C Brown	(appointed 26 February 2021, resigned 30 April 2021)
F S Hameed-Burke	(appointed 30 April 2021, resigned 21 March 2022)
J E S Kerton	(appointed 29 June 2021, resigned 14 January 2022)
F V Ryder	(appointed 21 March 2022)
R V A Butler-Mason	(appointed 28 March 2022)

# Unomedical Limited

## Directors' report (continued)

### Company Secretary

C Bates (resigned 16 April 2021)  
S Marsden (appointed 16 April 2021)

### Directors' indemnities

The Company and Convatec Group has made qualifying third party indemnity provisions for the benefit of its directors (and within the Group) which were made during the year and remain in force at the date of this report.

### Political and charitable contributions

The Company has not made any political or charitable donations (2020: £nil).

### Dividends

The Directors' do not propose to pay a dividend (2020: nil).

### Directors' confirmations

Each of the persons who is a director of the Company at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

### Independent auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Deloitte LLP will therefore continue in office.

Approved and signed on behalf of the Board

DocuSigned by:

*Fiona Ryder*



Signer Name: Fiona Ryder

Signing Reason: I approve this document

Signing Time: Aug 9, 2022 | 3:02:21 PM BST

F V Ryder  
Director

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9 August 2022

GDC Building, First Avenue  
Deeside Industrial Park  
Deeside  
Flintshire  
CH5 2NU

# **Unomedical Limited**

## **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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# Unomedical Limited

## Independent auditor's report to the members of Unomedical Limited

### Report on the audit of the financial statements

#### Opinion

In our opinion the financial statements of Unomedical Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 18.

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).

#### 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 auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.



# Unomedical Limited

## Independent auditor's report to the members of Unomedical Limited (continued)

### Responsibilities of directors

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

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

### Auditor's 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 auditor's 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 auditor's report.

### Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation and tax legislation etc; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address them are described below:

- There is a presumed fraud risk in revenue recognition in accordance with ISA (240) and we have pinpointed this as a significant risk relating to manual adjustments to revenue. In addressing this risk, we performed detailed testing of a sample of transactions and challenged management's decisions to process manual adjustments to revenue and inspected supporting evidence for a sample of the adjustments.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

**Independent auditor's report to the members of Unomedical Limited (continued)**

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

**Report on other legal and regulatory requirements**

**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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

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


Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

**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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Heather Crosby, ACA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Manchester, United Kingdom  
9 August 2022

# Unomedical Limited

## Profit and loss account

For the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
<b>Turnover</b>	3	11,982	13,440
Cost of sales		(8,549)	(9,675)
		<hr/>	<hr/>
<b>Gross profit</b>		3,433	3,765
Administrative expenses		(2,250)	(1,431)
Distribution expenses		(995)	(927)
		<hr/>	<hr/>
<b>Operating profit</b>		188	1,407
Finance income	4	22	291
		<hr/>	<hr/>
<b>Profit before taxation</b>	5	210	1,698
Tax on profit	7	(218)	(279)
		<hr/>	<hr/>
<b>Loss for the financial year</b>		<hr/> (8) <hr/>	<hr/> 1,419 <hr/>

All results are derived from continuing operations.

The notes on pages 13 to 24 form part of these financial statements.

## Unomedical Limited

### Statement of comprehensive income For the year ended 31 December 2021

	Note	2021	2020
		£'000	£'000
<b>(Loss)/profit for the financial year</b>		(8)	1,419
Remeasurement of defined benefit pension scheme	14	147	(1,104)
Effect of asset limitation on defined benefit scheme	14	1,014	2,738
<b>Total comprehensive income</b>		<u>1,153</u>	<u>3,053</u>

The notes on pages 13 to 24 form part of these financial statements.

# Unomedical Limited

## Balance sheet

As at 31 December 2021

	Note	2021 £'000	2020 £'000
<b>Fixed assets</b>			
Investments	8	-	-
<b>Current assets</b>			
Inventories	9	1,643	2,027
Debtors	10	17,673	15,256
Other assets	14	-	1,634
		19,316	18,917
<b>Creditors: Amounts falling due within one year</b>	11	(2,300)	(3,054)
<b>Net assets and net current assets</b>		17,016	15,863
<b>Capital and reserves</b>			
Called-up share capital	13	13,000	13,000
Share premium account		12,367	12,367
Profit and loss account		(8,351)	(9,504)
<b>Shareholders' funds</b>		17,016	15,863

The financial statements of Unomedical Limited (registered in England and Wales number 00976940) were approved by the Board of directors and authorised for issue on 9 August 2022. They were signed on its behalf by:

DocuSigned by:

*Fiona Ryder*



Signer Name: Fiona Ryder

Signing Reason: I approve this document

Signing Time: Aug 9, 2022 | 3:02:28 PM BST

Director

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# Unomedical Limited

## Statement of changes in equity For the year ended 31 December 2021

	Called-up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
<b>At 1 January 2020</b>	13,000	12,367	(12,557)	12,810
Profit for the financial year	-	-	1,419	1,419
Remeasurement of defined benefit pension scheme (note 14)	-	-	(1,104)	(1,104)
Effect of asset limit on defined benefit pension scheme (note 14)	-	-	2,738	2,738
<b>Total comprehensive income</b>	-	-	3,053	3,053
<b>At 31 December 2020</b>	13,000	12,367	(9,504)	15,863
Loss for the financial year	-	-	(8)	(8)
Remeasurement of defined benefit pension scheme (note 14)	-	-	147	147
Effect of asset limit on defined benefit pension scheme (note 14)	-	-	1,014	1,014
<b>Total comprehensive income</b>	-	-	1,153	1,153
<b>At 31 December 2021</b>	13,000	12,367	(8,351)	17,016

The notes on pages 13 to 24 form part of these financial statements.

# **Unomedical Limited**

## **Notes to the financial statements**

**For the year ended 31 December 2021**

### **1. Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

#### **a. General information and basis of accounting**

Unomedical Limited is a private company limited by shares, registered in England and Wales, incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is provided on page 1 and 2. The nature of the Company's operations and its principal activities are set out in the Strategic report on page 1.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Unomedical Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Unomedical Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and intra-group transactions.

#### **b. Basis of consolidation**

The financial statements contain information about Unomedical Limited as an individual company and do not contain consolidated information as parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements, as it is part of a larger group which prepares consolidated financial statements.

#### **c. Going concern**

Unomedical Limited's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on page 1 and 2.

Having considered these risks and the current uncertain economic environment, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company continues to generate strong profit and cash flows and expects to continue to do so for the foreseeable future.

As detailed within the Directors' report, the assets of the Company are secured against the external credit facility of the Group. The directors of Unomedical Limited are satisfied that the Group has adequate liquid resources to meet their respective liabilities as they become due.

Thus, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

#### **d. Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. The Company only has financial assets and liabilities and does not trade in financial instruments.

# **Unomedical Limited**

## **Notes to the financial statements (continued)**

**For the year ended 31 December 2021**

### **1. Accounting policies (continued)**

#### **d. Financial instruments (continued)**

##### **(i) Financial assets and liabilities**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Amounts owed to or from Group undertakings that are not due to be settled within 30 days with a variable interest rate set at a margin between 8.6 bps and 28.6 bps above 3 month LIBOR.

##### **(ii) Investments**

Investments are measured at cost less impairment.



# Unomedical Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2021

### 1. Accounting policies (continued)

#### e. Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Net realisable value is the price at which inventories can be sold in the normal course of business after allowing for the costs of realisation. Cost is calculated using the FIFO (first-in, first-out) basis. Provision is made for obsolete, slow-moving or defective items where appropriate.

#### f. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

##### *Non-financial assets*

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

##### *Financial assets*

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

#### g. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

# **Unomedical Limited**

## **Notes to the financial statements (continued)**

**For the year ended 31 December 2021**

### **1. Accounting policies (continued)**

#### **g. Taxation (continued)**

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **h. Turnover**

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover is recognised at the point of despatch for intercompany sales and at the point of delivery for third party sales.

#### **i. Employee benefits**

The net interest cost on the net defined benefit liability is charged to profit and loss account and included within finance costs. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Company, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

#### **j. Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

### **2. Critical accounting judgments and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing the financial statements, no critical accounting judgements or key estimates have been identified.

# Unomedical Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2021

### 3. Turnover

Turnover relates to the sale of goods and an analysis of the turnover by category is set out below.

	2021 £'000	2020 £'000
<b>Turnover:</b>		
Continence and critical care	9,211	10,569
Infusion devices	2,771	2,871
	<u>11,982</u>	<u>13,440</u>

An analysis of turnover by geographical market is set out below.

	2021 £'000	2020 £'000
<b>Turnover:</b>		
United Kingdom	11,740	13,121
Rest of Europe	242	319
	<u>11,982</u>	<u>13,440</u>

### 4. Finance income

	2021 £'000	2020 £'000
Interest receivable from Group undertakings	22	291
	<u>22</u>	<u>291</u>

Interest rates on amounts owed from Group undertakings are set by reference to the Group's external borrowing facilities in accordance with Group policy and are repayable on demand.

# Unomedical Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2021

### 5. Profit before taxation

Profit before taxation is stated after charging/(crediting):

	2021 £'000	2020 £'000
Foreign exchange gain	-	(5)
Cost of inventories recognised as an expense	8,549	9,675

The analysis of the auditor's remuneration is as follows:

	2021 £'000	2020 £'000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	37	35

No services were provided pursuant to contingent fee arrangements and there were no fees paid to the Company's auditor for other services for the current year or prior year.

### 6. Directors' remuneration and transactions

The directors were also directors of other Group companies and their allocation of their remuneration earned for their services to Unomedical Limited was £nil (2020: £nil).

### 7. Tax on profit

The tax charge comprises:

	2021 £'000	2020 £'000
<b>Current tax on profit</b>		
UK corporation tax	203	318
<b>Adjustment in respect of prior years</b>		
UK corporation tax	17	(41)
<b>Total current tax</b>	220	277
<b>Deferred tax</b>		
Origination and reversal of timing differences	(2)	2
<b>Total deferred tax (see note 12)</b>	(2)	2
<b>Tax on profit</b>	218	279

The standard rate of tax applied to reported profit is 19% (2020: 19%).

Following the enactment of Finance Act 2021 on 10 June 2021, the UK corporation tax rate will increase from 19.0% to 25.0% from 1 April 2023. This resulted in a tax income of £6k in the year ended 31 December 2021 as a result of revaluation of the net deferred tax assets. In the year ended 31 December 2020, there was £2k income in relation to the revaluation of the net deferred tax assets in the UK from 17.0% to 19.0% following the reversal of the change in corporation tax rate originally due to come into effect from 1 April 2020.

There is no expiry date on timing differences, or tax credits.

# Unomedical Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2021

### 7. Tax on profit (continued)

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2021 £'000	2020 £'000
<b>Profit before tax</b>	210	1,698
Tax on profit at standard UK corporation tax rate of 19% (2020: 19%)	40	322
Effects of:		
- Movement in rate of deferred tax	(6)	(2)
- Expenses not deductible for tax purposes	167	-
- Adjustment to tax charge in respect of prior periods	17	(41)
<b>Tax on profit</b>	218	279

During the year ended 31 December 2022, the net reversal of deferred tax assets and liabilities is expected to increase the corporation tax charge for the year by £5k. This is due to forecasted capital allowances less expected depreciation and amortisation.

### 8. Fixed asset investments

#### Cost and carrying value

At 1 January 2021 and 31 December 2021

£

36

The Company has investments in the ordinary shares in the following subsidiary undertakings.

Subsidiary undertakings	Country of incorporation and registered office	Principal activity	Holding	%
Unomedical Developments Limited	United Kingdom (England and Wales) <sup>[1]</sup>	Dormant company		100%
Pharma-Plast Limited	United Kingdom (England and Wales) <sup>[1]</sup>	Dormant company	*	100%
Bradgate-Unitech Limited	United Kingdom (England and Wales) <sup>[1]</sup>	Dormant company	*	100%
Unoplast (UK) Limited	United Kingdom (England and Wales) <sup>[1]</sup>	Dormant company	*	100%
MSB Limited	United Kingdom (England and Wales) <sup>[1]</sup>	Dormant company		100%
Rotax Razor Company Limited	United Kingdom (England and Wales) <sup>[1]</sup>	Dormant company	*	100%
Lance Blades Limited	United Kingdom (England and Wales) <sup>[1]</sup>	Dormant company	*	100%
Needle Industries (Sheffield) Limited	United Kingdom (England and Wales) <sup>[1]</sup>	Dormant company	*	100%
Nottingham Medical Equipment Limited	United Kingdom (England and Wales) <sup>[1]</sup>	Dormant company	*	100%

# Unomedical Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2021

### 8. Fixed asset investments (continued)

The Company has investments in the following subsidiary undertakings (continued).

Subsidiary undertakings	Country of incorporation and registered office	Principal activity	Holding	%
Akers & Dickinson Limited	United Kingdom (England and Wales) <sup>[1]</sup>	Dormant company	*	100%
Shrimpton & Fletcher Limited	United Kingdom (England and Wales) <sup>[1]</sup>	Dormant company	*	100%
Steriseal Limited	United Kingdom (England and Wales) <sup>[1]</sup>	Dormant company	*	100%

\* - held via Unomedical Developments Limited.

[1] - GDC, First Avenue, Deeside Industrial Park, Deeside, Flintshire CH5 2NU.

### 9. Inventories

	2021 £'000	2020 £'000
Finished goods and goods for resale	1,643	2,027

There is no material difference between the selling price less costs to sell and their replacement cost.

### 10. Debtors

	2021 £'000	2020 £'000
Amounts falling due within one year:		
Trade debtors	1,523	1,616
Amounts owed by group undertakings	16,017	13,617
Corporation tax	108	-
Deferred tax asset	25	23
	17,673	15,256

Amounts owed by Group undertakings not expected to be settled within 30 days are £15,744k (2020: £13,555k) are liable to interest as described in note 1.

# Unomedical Limited

## Notes to the financial statements (continued) For the year ended 31 December 2021

### 11. Creditors - amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	134	20
Amounts owed to Group undertakings	1,399	1,955
Corporation tax	-	301
Other taxation and social security	369	392
Accruals and deferred income	398	386
	<u>2,300</u>	<u>3,054</u>

All amounts owed to Group undertakings are due within 30 days and as such are not liable to interest.

### 12. Deferred tax asset

	Deferred tax asset £'000
At 1 January 2021	23
Credited to profit and loss account (note 7)	2
	<u>25</u>
At 31 December 2021	<u>25</u>

#### Deferred tax asset

Deferred tax asset is created as follows:

	2021 £'000	2020 £'000
Accelerated capital allowances	25	23
Deferred tax asset	<u>25</u>	<u>23</u>

### 13. Called-up share capital and reserves

	2021 £'000	2020 £'000
Allotted, called-up and fully-paid 13,000,001 ordinary shares of £1.00 each	<u>13,000</u>	<u>13,000</u>

The Company has one class of ordinary shares which carries no right to fixed income.

The Company's other reserves are as follows:

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

The profit and loss account reserve represents cumulative retained profits or losses.

# Unomedical Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2021

### 14. Employee benefits

#### Defined benefit schemes

The Company operated a defined benefit scheme in the UK, which was closed and fully funded. Under the scheme, the employees were entitled to retirement benefits varying between 3.33% and 66.67% of final salary on attainment of a retirement age of 65. This was based on an accrual rate of 1/60th of final pensionable salary for each complete year of active service after completing 2 years of scheme membership. No other post-retirement benefits were provided.

On 24 March 2020, the Trustee of the UK plan completed a buy-in transaction whereby the assets of the plan were invested in a bulk purchase annuity policy with the insurer Aviva Life & Pensions UK Limited ("Aviva"), under which the benefits payable to defined benefit members were fully insured. On 30 March 2020, the scheme paid £10.2 million to Aviva to fund the buy-in premium.

The buy-out was transacted on 12 November 2021, where the Company received £1.6 million for settlement. The pension scheme was ultimately terminated on 16 December 2021. All members of the UK plan have their benefits secured with Aviva, discharging all of the Company's legal and constructive obligations and leading to derecognition of the defined benefit assets and liabilities. The buy-out resulted in a loss of £0.9 million on settlement which has been recognised in administrative expenses in the year ended 31 December 2021.

	Valuation at	
	2021	2020
	%	%
Key assumptions used:		
Discount rate	N/A	1.32
Future pension increases	N/A	2.13 – 2.50
Retail price index	N/A	3.05
Consumer price index	N/A	2.50

#### Mortality assumptions:

Investigations have been carried out within the past three years into the mortality experience of the defined benefit schemes. These investigations concluded that the current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

	Valuation at	
	2021	2020
	years	years
Retiring today:		
Males	N/A	22.80
Females	N/A	23.90
Retiring in 20 years:		
Males	N/A	24.20
Females	N/A	25.50



# Unomedical Limited

## Notes to the financial statements (continued) For the year ended 31 December 2021

### 14. Employee benefits (continued)

Amounts recognised in the profit and loss account in respect of these defined benefit schemes are as follows:

	2021 £'000	2020 £'000
Current service cost		
Net interest received	31	92
Past service cost*	-	(120)
Expenses paid	(312)	(320)
	<u>(281)</u>	<u>(348)</u>
Recognised in other comprehensive income		
- Actuarial gains and losses	(147)	1,104
- Effect of asset limit restriction	(1,014)	(2,738)
	<u>(1,161)</u>	<u>(1,634)</u>
Gain recognised in other comprehensive income		

\* - Past service cost for the year ended 31 December 2020 represents the estimate of the cost of Guaranteed Minimum Pension (GMP) equalisation.

The amount included in the balance sheet within other assets arising from the Company's obligations in respect of its defined benefit retirement benefit schemes is as follows:

	2021 £'000	2020 £'000
Present value of defined benefit obligations	-	(8,869)
Fair value of scheme assets	-	11,517
Effect of asset limit restriction	-	(1,014)
	<u>-</u>	<u>1,634</u>
Other assets		

Movements in the present value of defined benefit obligations were as follows:

	2021 £'000	2020 £'000
At 1 January	8,869	8,076
Past service cost	-	120
Interest cost	92	156
Actuarial (gains)/losses	(477)	1,104
Benefits paid	(374)	(587)
Pension settlement	(8,110)	-
	<u>-</u>	<u>8,869</u>
At 31 December		

# Unomedical Limited

## Notes to the financial statements (continued) For the year ended 31 December 2021

### 14. Employee benefits (continued)

Movements in the fair value of scheme assets were as follows:

	2021	2020
	£'000	£'000
At 1 January	11,517	12,829
Actuarial (gains)/losses	(330)	(653)
Return on plan assets (excluding amounts included in net interest cost)	123	248
Expenses paid	(312)	(320)
Benefits paid	(374)	(587)
Pension settlement	(10,624)	-
<b>At 31 December</b>	<b>-</b>	<b>11,517</b>

The analysis of the scheme assets at the balance sheet date was as follows:

	Fair value of assets	
	2021	2020
	£'000	£'000
Bonds and Gilts	-	11,517

The Company does not have any current employees.

### 15. Contingent liabilities

The ultimate parent undertaking, has secured borrowings against the underlying assets of various subsidiaries within the Group, including those of Unomedical Limited. These outstanding borrowings totalled approximately \$1.0 billion at 31 December 2021 (2020: \$1.5 billion).

### 16. Related party transactions

Unomedical Limited meets the definition of a qualifying entity under Section 33 of FRS 102 and has taken advantage of the exemption available for disclosure of intracompany transactions.

The key management personnel of the Company are regarded to be the directors who served in the year. The directors were also directors of other Group companies. The ConvaTec Group is managed on a Group basis and the allocation of cost to Unomedical Limited is deemed to be negligible.

### 17. Controlling party

The ultimate parent undertaking and controlling party is ConvaTec Group Plc, which is registered in England and Wales at: 3 Forbury Place, 23 Forbury Road, Reading, United Kingdom, RG1 3JH. The immediate parent undertaking is Unomedical Holdings Limited, which is registered in England and Wales at the same address as the Company. Consolidated financial statements for ConvaTec Group Plc, the largest and smallest group to consolidate the results of this Company, can be obtained from [www.convatecgroup.com](http://www.convatecgroup.com).

### 18. Post balance sheet event

On 12 May 2022, following a strategic review of the Critical Care business, the Group announced its decision to withdraw from hospital care and related industrial sales activities over the remainder of 2022, due to significant challenges faced as a result of the geopolitical situation created by the war in Ukraine.

No adjustments have been made to the values recognised in the financial statements ending 31 December 2021 as this is deemed to be a non-adjusting post balance sheet event.