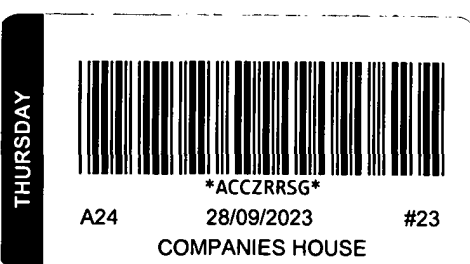


UNOMEDICAL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Registered number: 00976940



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.

On 12 May 2022, following a strategic review of the Critical Care business, Convatec Group Plc and its subsidiaries (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 because of the geopolitical situation created by the war in Ukraine. The Company will continue to distribute infusion care products throughout the UK and anticipate growth within this market.

The phased exit from hospital care and industrial sales products resulted in turnover decreasing by £112k to £11,870k (2021: £11,982k), being a 0.9% decrease. The business strongly traded all year with sales declining only at the end of 2022 as and when discontinued lines were no longer available for sale. Gross margin decreased compared to prior year at 25.6% (2021: 28.7%), due to additional discounts given and stock provisions on remaining hospital care lines.

The profit for the year after taxation was £1,204k (2021: £8k loss). The 2021 loss included £879k of expense on settlement of the defined benefit pension scheme and £312k of expenses paid in relation to the scheme, such costs have not been incurred in 2022 or any future years as all legal and constructive obligations of the scheme have now been discharged. The remaining additional profits are a result of commercial costs associated with the sales of hospital care products being withdrawn during the year.

The Company's financial position at the year-end has improved in net assets terms by £1,204k to £18,220k. Debtor sales days outstanding increased to 73 days (2021: 42 days) due to several outstanding queries on the account which have been resolved and paid in 2023. Purchase days outstanding decreased to 58 days (2021: 65 days) mainly driven by the reduction of operating expenses invoices due to the closure of hospital care in the period.

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.

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.

Section 172(1) statement

Section 172(1) of the Companies Act 2006 requires a director of a company to act in a way he or she considers in good faith, would most likely promote the success of the company for the benefit of its members as a whole, and in doing so, have regard, amongst other matters, to:

- a) the likely consequences of any decision in the long-term;
- b) the interests of the Company's employees;
- c) the need to foster the Company's business relationships with suppliers, customers and others;
- d) the impact of the Company's operations on the community and the environment;
- e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- f) the need to act fairly as between members of the Company.

In discharging their Section 172 duties, the directors of the Company consider that they have had regard in all material respects to the factors set out above. Each company within the Convatec Group is bound by group policies consistent with the group's culture in all key areas including supplier management and outsourcing, customer interactions, human resources, legal and compliance, quality and regulatory, environmental and health and safety.

The key stakeholders of the Company are considered to be some of the group's suppliers and the group's subsidiaries to which the Company provides investment and financing. The majority of stakeholder engagement takes place at a group level and the Company looks to group initiatives for guidance and takes them into account in its decision making. Further details of the group's stakeholders and how their interests are considered can be found on pages 44 and 45 of Convatec Group Plc's Annual Report 2022.


The Company delegates authority for day-to-day management to senior leaders, who set, approve and oversee the execution of the Company's activities. Board meetings are held periodically for the directors to consider Company business.

In considering items of business the Company makes autonomous decisions on each transaction's own merits, after due consideration of the long-term success of the Company for the benefit of its members and Section 172 factors, where relevant.

Unomedical Limited

Strategic report (continued)

Approved and signed on behalf of the Board

DocuSigned by:
Fiona Ryder
 Signer Name: Fiona Ryder
Signing Reason: I approve this document
Signing Time: Sep 22, 2023 | 1:09:41 PM BST
Fiona Ryder
4BB27C4B00CE4E1782D6D55B46DED41F
Director
22 September 2023

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 2022.

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.

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 service fee charges calculated based on revenue, it is expected that costs will decrease in line with revenue and the Company will continue to be profitable.

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 arrangements are in place which are completed 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.

Unomedical Limited

Directors' report (continued)

Directors

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

S Marsden	(resigned 28 March 2022)
F S Hameed-Burke	(resigned 21 March 2022)
J E S Kerton	(resigned 14 January 2022)
F V Ryder	(appointed 21 March 2022)
R V A Butler-Mason	(appointed 28 March 2022)

Directors' and officers' liability

Directors' and officers' liability insurance has been purchased by the ultimate parent company, Convatec Group Plc, and was in place throughout the year under review.

Political and charitable contributions

The Company has not made any political or charitable donations (2021: nil).

Dividends

The Directors' do not propose to pay a dividend (2021: 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

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in accordance with Section 485 of the Companies Act 2006.

Approved and signed on behalf of the Board

DocuSigned by:

Fiona Ryder

Signer Name: Fiona Ryder

Signing Reason: I approve this document

Signing Time: Sep 22, 2023 | 1:09:50 PM BST

Director
F V Ryder
4B27C4800CE4E1782D6D558460ED41F

22 September 2023

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;
- 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

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 2022 and of its profit 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 17.

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.

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.

Unomedical Limited

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

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. 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 and the Directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

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, tax legislation; 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 areas, 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.

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.

Unomedical Limited

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

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

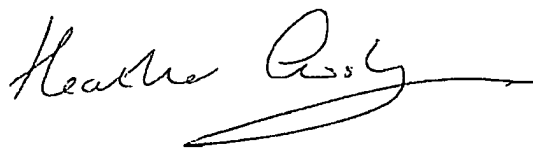
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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
26 September 2023

Unomedical Limited

Profit and loss account

For the year ended 31 December 2022

	Note	Continuing operations 2022 £	Discontinued operations 2022 £	Total 2022 £	Continuing operations 2021 £	Discontinued operations 2021 £	Total 2021 £
Turnover	3	3,234	8,636	11,870	2,752	9,230	11,982
Cost of sales		(2,282)	(6,553)	(8,835)	(1,341)	(7,208)	(8,549)
Gross profit		952	2,083	3,035	1,411	2,022	3,433
Administrative expenses		(337)	(401)	(738)	(626)	(1,624)	(2,250)
Distribution expenses		(280)	(750)	(1,030)	(229)	(766)	(995)
Operating profit		335	932	1,267	556	(368)	188
Finance income	4	219	-	219	22	-	22
Profit before taxation	5	554	932	1,486	578	(368)	210
Tax on profit	8	(77)	(205)	(282)	(50)	(168)	(218)
Profit/(loss) for the financial year		477	727	1,204	528	(536)	(8)

The discontinued operations relate to the withdrawal from the hospital care market (note 6).

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 2022

	Note	2022	2021
		£'000	£'000
Profit/(loss) for the financial year		1,204	(8)
Remeasurement of defined benefit pension scheme	15	-	147
Effect of asset limitation on defined benefit scheme	15	-	1,014
Total comprehensive income		1,204	1,153

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

Unomedical Limited

Balance sheet

As at 31 December 2022

	Note	2022 £'000	2021 £'000
Fixed Assets			
Investments	9	-	-
		<hr/>	<hr/>
		-	-
		<hr/>	<hr/>
Current assets			
Inventories	10	472	1,643
Debtors	11	19,474	17,673
Pension assets	15	-	-
		<hr/>	<hr/>
		19,946	19,316
Creditors: Amounts falling due within one year	12	(1,726)	(2,300)
		<hr/>	<hr/>
Net assets and net current assets		18,220	17,016
		<hr/>	<hr/>
Capital and reserves			
Called-up share capital	14	13,000	13,000
Share premium account		12,367	12,367
Profit and loss account		(7,147)	(8,351)
		<hr/>	<hr/>
Shareholders' funds		18,220	17,016
		<hr/>	<hr/>

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 22 September 2023. They were signed on its behalf by:

DocuSigned by:

Fiona Ryder



Signer Name: Fiona Ryder

Signing Reason: I approve this document

Signing Time: Sep 22, 2023 | 1:10:07 PM BST

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Director

Unomedical Limited

Statement of changes in equity For the year ended 31 December 2022

	Called-up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
At 1 January 2021	13,000	12,367	(9,504)	15,863
Loss for the financial year	-	-	(8)	(8)
Remeasurement of defined benefit pension scheme (note 15)	-	-	147	147
Effect of asset limit on defined benefit pension scheme (note 15)	-	-	1,014	1,014
Total comprehensive income	-	-	1,153	1,153
At 31 December 2021	13,000	12,367	(8,351)	17,016
Profit for the financial year	-	-	1,204	1,204
Total comprehensive income	-	-	1,204	1,204
At 31 December 2022	13,000	12,367	(7,147)	18,220

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 2022

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 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.

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 and at least 12 months from the date of signing these financial statements. The Company continues to generate strong profit and cash flows and expects to continue to do so for the foreseeable future and at least 12 months from the date of signing these financial statements.

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 2022

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.

(ii) Investments

Investments are measured at cost less impairment.

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.

Notes to the financial statements (continued)

For the year ended 31 December 2022

1. Accounting policies (continued)

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.

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.

Unomedical Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

1. Accounting policies (continued)

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. 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.

3. Turnover

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

	2022 £'000	2021 £'000
Turnover:		
Continence and critical care	8,595	9,211
Infusion devices	3,275	2,771
	<u>11,870</u>	<u>11,982</u>

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

	2022 £'000	2021 £'000
Turnover:		
United Kingdom	11,494	11,740
Rest of Europe	376	242
	<u>11,870</u>	<u>11,982</u>

Unomedical Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

4. Finance income

	2022 £'000	2021 £'000
Interest receivable from Group undertakings	219	22
	<u>219</u>	<u>22</u>

5. Profit before taxation

Profit before taxation is stated after charging:	2022 £'000	2021 £'000
Cost of inventories recognised as an expense	8,835	8,549
	<u>8,835</u>	<u>8,549</u>

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

	2022 £'000	2021 £'000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	23	37
	<u>23</u>	<u>37</u>

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. Discontinued operations

On 12 May 2022, following a strategic review of the Critical Care business, Convatec Group Plc and its subsidiaries (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 because of the geopolitical situation created by the war in Ukraine. During the year, hospital care contributed post-tax profits of £727k (2021: £536k loss). The Company will continue to distribute infusion care products throughout the UK and anticipate growth within this market.

7. Directors' remuneration and employees

The directors were also directors of other Group companies and their allocation of their remuneration earned for their services to Unomedical Limited was nil (2021: nil).

The Company does not have any current employees.

Unomedical Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

8. Tax on profit

The tax charge comprises:

	2022 £'000	2021 £'000
Current tax on profit		
UK corporation tax	282	203
Adjustment in respect of prior years		
UK corporation tax	-	17
Total current tax	282	220
Deferred tax		
Origination and reversal of timing differences	-	(2)
Total deferred tax (see note 12)	-	(2)
Tax on profit	282	218

The standard rate of tax applied to reported profit is 19% (2021: 19%).

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. This resulted in a tax income of £0k in the year ended 31 December 2022 (2021: £6k) as a result of revaluation of the net deferred tax assets.

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

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:

	2022 £'000	2021 £'000
Profit before tax	1,486	210
Tax on profit at standard UK corporation tax rate of 19% (2021: 19%)	282	40
Effects of:		
- Movement in rate of deferred tax	-	(6)
- Expenses not deductible for tax purposes	-	167
- Adjustment to tax charge in respect of prior periods	-	17
Tax on profit	282	218

During the year beginning 1 January 2023, the net reversal of deferred tax assets and liabilities is expected to increase the corporation tax charge for the year by £1k. This is due to forecasted capital allowances less expected depreciation and amortisation.

Unomedical Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

9. Fixed asset investments

£

Cost and carrying value

At 1 January 2022 and 31 December 2022

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) ^[1]	Dormant company		100%
Pharma-Plast Limited	United Kingdom (England and Wales) ^[1]	Dormant company	*	100%
Bradgate-Unitech Limited	United Kingdom (England and Wales) ^[1]	Dormant company	*	100%
Unoplast (UK) Limited	United Kingdom (England and Wales) ^[1]	Dormant company	*	100%
MSB Limited	United Kingdom (England and Wales) ^[1]	Dormant company		100%
Rotax Razor Company Limited	United Kingdom (England and Wales) ^[1]	Dormant company	*	100%
Lance Blades Limited	United Kingdom (England and Wales) ^[1]	Dormant company	*	100%
Needle Industries (Sheffield) Limited	United Kingdom (England and Wales) ^[1]	Dormant company	*	100%
Nottingham Medical Equipment Limited	United Kingdom (England and Wales) ^[1]	Dormant company	*	100%
Akers & Dickinson Limited	United Kingdom (England and Wales) ^[1]	Dormant company	*	100%
Shrimpton & Fletcher Limited	United Kingdom (England and Wales) ^[1]	Dormant company	*	100%
Steriseal Limited	United Kingdom (England and Wales) ^[1]	Dormant company	*	100%

* - held via Unomedical Developments Limited.

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

10. Inventories

	2022 £'000	2021 £'000
Finished goods and goods for resale	472	1,643

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

Unomedical Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

11. Debtors

	2022 £'000	2021 £'000
Amounts falling due within one year:		
Trade debtors	1,441	1,523
Amounts owed by group undertakings	17,890	16,017
Corporation tax	108	108
Prepayments and accrued income	10	-
	<u>19,449</u>	<u>17,648</u>

Included within amounts owed from Group undertakings at 31 December 2022 is a loan of £17,890k (2021: £15,744k) with a variable interest rate set at a margin with reference to the Sterling Overnight Index Average (SONIA). The loan is unsecured and repayable on demand.

	2022 £'000	2021 £'000
Amounts falling due after more than one year:		
Deferred tax asset (note 13)	<u>24</u>	<u>25</u>
	<u>24</u>	<u>25</u>

12. Creditors - amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	90	134
Amounts owed to Group undertakings	1,317	1,399
Other taxation and social security	227	369
Accruals and deferred income	92	398
	<u>1,726</u>	<u>2,300</u>

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

Notes to the financial statements (continued)

For the year ended 31 December 2022

13. Deferred tax asset

	Deferred tax asset £'000
At 1 January 2022	25
Charged to profit and loss account (note 8)	(1)
	<hr/>
At 31 December 2022	24
	<hr/> <hr/>

Deferred tax asset

Deferred tax asset is created as follows:

	2022 £'000	2021 £'000
Accelerated capital allowances	24	25
	<hr/>	<hr/>
Deferred tax asset	24	25
	<hr/> <hr/>	<hr/> <hr/>

14. Called-up share capital and reserves

	2022 £'000	2021 £'000
Allotted, called-up and fully-paid 13,000,001 ordinary shares of £1.00 each	13,000	13,000
	<hr/> <hr/>	<hr/> <hr/>

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 2022

15. 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 in of £0.9 million on settlement which was been recognised in administrative expenses in the year ended 31 December 2021.

	Valuation at	
	2022	2021
	%	%
Key assumptions used:		
Discount rate	N/A	N/A
Future pension increases	N/A	N/A
Retail price index	N/A	N/A
Consumer price index	N/A	N/A

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	
	2022	2021
	years	years
Retiring today:		
Males	N/A	N/A
Females	N/A	N/A
Retiring in 20 years:		
Males	N/A	N/A
Females	N/A	N/A

Unomedical Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

15. Employee benefits (continued)

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

	2022 £'000	2021 £'000
Current service cost	-	31
Net interest received	-	(312)
Expenses paid	-	(281)
	<u>-</u>	<u>(281)</u>
Recognised in other comprehensive income		
- Actuarial gains and losses	-	(147)
- Effect of asset limit restriction	-	(1,014)
	<u>-</u>	<u>(1,161)</u>
Gain recognised in other comprehensive income	-	(1,161)

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:

	2022 £'000	2021 £'000
Present value of defined benefit obligations	-	-
Fair value of scheme assets	-	-
Effect of asset limit restriction	-	-
	<u>-</u>	<u>-</u>
Other assets	-	-

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

	2022 £'000	2021 £'000
At 1 January	-	8,869
Interest cost	-	92
Actuarial gains	-	(477)
Benefits paid	-	(374)
Pension settlement	-	(8,110)
	<u>-</u>	<u>-</u>
At 31 December	-	-

Unomedical Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

15. Employee benefits (continued)

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

	2022	2021
	£'000	£'000
At 1 January	-	11,517
Actuarial (gains)/losses	-	(330)
Return on plan assets (excluding amounts included in net interest cost)	-	123
Expenses paid	-	(312)
Benefits paid	-	(374)
Pension settlement	-	(10,624)
	<hr/>	<hr/>
At 31 December	-	-
	<hr/>	<hr/>

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

	Fair value of assets	
	2022	2021
	£'000	£'000
Bonds and Gilts	-	-
	<hr/>	<hr/>

The Company does not have any current employees.

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 20 Eastbourne Terrace, London, United Kingdom, W2 6LG. 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.