

Registration number: 02087534

Spembly Medical Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2021

FRIDAY



ABJXBJBS

A14

30/12/2022

#292

COMPANIES HOUSE

Spembly Medical Limited

Contents

| | |
|---|----------|
| Strategic Report | 1 |
| Director's Report | 2 to 3 |
| Statement of Director's Responsibilities in Respect of the Financial Statements | 4 |
| Independent Auditors' Report | 5 to 8 |
| Statement of Comprehensive Income | 9 |
| Balance Sheet | 10 |
| Statement of Changes in Equity | 11 |
| Notes to the Financial Statements | 12 to 19 |

Spembly Medical Limited

Strategic Report for the Year Ended 31 December 2021

The director presents the Strategic Report for the year ended 31 December 2021.

Principal activities

The Company acts as a holding company for subsidiaries involved in the sale of medical products.

Fair review of the business

The profit for the year amounted to £nil (2020: £179,050). At 31 December 2021 the Company had net assets of £9,368,696 (2020: £9,368,696).

In 2021 the Company had no trade due to changes in structure that took place in 2020.

There was no interim ordinary dividend paid in 2021 (2020: £468,108,640). There was no final ordinary dividend paid in 2021 or 2020.

On 18 August 2020, the Company converted all of its preference share capital of 100,398,886 shares of £1 each to ordinary shares of £1 each.

On 17 August 2020, the Company cancelled its entire sum of £117,029,517 from its share premium account. Also on this date the Company reduced the nominal value of its 261,127,253 fully paid ordinary shares for £1 to £0.05. On 18 November 2020, the Company further reduced the nominal value of its fully paid ordinary shares from £0.05 to £0.01.

In November 2020, the Company transferred its holdings in Integra LifeSciences Switzerland Sarl, INS Sweden AB, Integra CI Inc, and Integra LifeSciences NR Ireland Limited to a fellow group company at cost for £468,108,640.

On 14 December 2020, the Company received a dividend distribution of £15,386 from its subsidiary Integra NeuroSciences Limited.

The director considers the financial position of the Company at the year-end to be satisfactory.

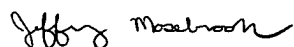
Financial key performance indicators

The Company does not trade, has no turnover, gross margin or operating expenses. Due to the nature of the Company, monitoring the company's progress with reference to Key Performance Indicators ("KPIs") is not considered relevant.

Principal risks and uncertainties

The carrying value of the Company's investments may be affected by the performance of fellow group undertakings and changes in interest and exchange rates. This is monitored by management and impairment reviews are performed annually. It is not exposed to other significant business risks or uncertainties.

Approved by the director on 12/22/2022



.....
Jeffrey Mosebrook
Director

Spembly Medical Limited

Director's Report for the Year Ended 31 December 2021

The directors present their report and the audited financial statements for the year ended 31 December 2021.

Results and dividends

The profit for the year amounted to £nil (2020 - £179,050). At 31 December 2021 the Company had net assets of £9,368,696 (at 31 December 2020 - £9,368,696).

An interim ordinary dividend of £nil was paid in the year (2020: £468,108,640) and the director does not propose the declaration of a final ordinary dividend (2020: £nil).

The director considers the financial position of the Company at the year-end to be satisfactory.

Financial risk management

The company is part of a much larger group of companies ultimately owned and controlled by Integra LifeSciences Holdings Corporation, a company incorporated in the State of Delaware, United States of America and listed on the NASDAQ (IART). The risk bearing liabilities are inter-company debts and, as the parent company has in place programmes to monitor and limit the adverse effects on the financial performance of the group by monitoring levels of debt finance and the related finance costs, no such programme is considered necessary for the individual company.

The Company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Given the size of the Company and its nature as a subsidiary in a much larger group, the director has not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors of group companies are implemented by the Company's finance department. The department has a policy and procedures manual that sets out specific guidelines to manage interest rate risk and credit risk and circumstances where it would be appropriate to use financial instruments to manage these.

Going concern

On the basis of their assessment of the Company's financial position and resources, the director has concluded that there is no material uncertainty with respect to the Company's going concern and that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Directors of the company

The directors who held office during the year were as follows:

Sravan Emany (ceased 3 December 2021)

Jeffrey Mosebrook

Qualifying third party indemnity provision

During the year and at the date the financial statements were signed, qualifying third party indemnity insurance was in place for the benefit of the directors.

Matters covered in the strategic report

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. A review of the future prospects in the Company's business have been included in the Strategic Report.

Spembly Medical Limited

Director's Report for the Year Ended 31 December 2021

Disclosure of information to the auditor

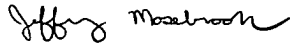
In this case of the director in office at the date the Director's Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

During the year the Company appointed BDO LLP as its statutory auditors. The appointment was confirmed at the Annual General Meeting. The auditors will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved by the director on^{12/22/2022}



.....
Jeffrey Mosebrook
Director

Spembly Medical Limited

Statement of Director's Responsibilities in Respect of the Financial Statements

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law, the director must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 director is also 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.

Spembly Medical Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF Spembly Medical Limited

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Spembly Medical Limited ("the Company") for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Director's 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 Director with respect to going concern are described in the relevant sections of this report.

Spembly Medical Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF Spembly Medical Limited

Other information

The director is responsible for the other information. The other information comprises the information included in the annual report and financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Director's 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 material misstatements in the Strategic report or the Director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of the Director

As explained more fully in the Statement of Director's Responsibilities, the Director is 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 Director determines 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 Director is 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 Director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Spembly Medical Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF Spembly Medical Limited

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.

Extent to which the audit was 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:

Based on our understanding of the Company, we considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We have evaluated management incentives and opportunities for fraudulent manipulation of the financial statements including management override.

We designed our audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

Procedures performed included:

- Discussions with management regarding known or suspected instances of non-compliance with laws and regulations.
- Reading the minutes of meetings of those charged with governance; and
- Evaluation of controls designed to prevent and detect irregularities.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Spembly Medical Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF Spembly Medical Limited

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.

DocuSigned by:


D2B2F4744551423...

Alex Stansbury (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Southampton, United Kingdom

22 December 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Spembly Medical Limited

Statement of Comprehensive Income for the Year Ended 31 December 2021

| | Note | 2021 £ | 2020 £ |
|--|------|-----------------|-----------------------|
| Income from shares in group undertakings | 3 | - | 2,856,124 |
| Interest payable and similar expenses | 4 | <u>-</u> | <u>(2,677,074)</u> |
| Profit before tax | | - | 179,050 |
| Tax on profit | 7 | <u>-</u> | <u>-</u> |
| Profit for the financial year | | <u><u>-</u></u> | <u><u>179,050</u></u> |

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

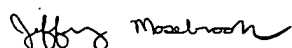
The notes on pages 12 to 19 form an integral part of these financial statements.

Spembly Medical Limited
(Registration number: 02087534)
Balance Sheet as at 31 December 2021

| | Note | 2021 £ | 2020 £ |
|---|------|------------------|------------------|
| Fixed assets | | | |
| Investments | 9 | 8,975,018 | 8,975,018 |
| Current assets | | | |
| Debtors | 10 | 434,581 | 434,581 |
| Creditors: Amounts falling due within one year | 11 | <u>(40,903)</u> | <u>(40,903)</u> |
| Net current assets | | <u>393,678</u> | <u>393,678</u> |
| Total assets less current liabilities | | <u>9,368,696</u> | <u>9,368,696</u> |
| Net assets | | <u>9,368,696</u> | <u>9,368,696</u> |
| Capital and reserves | | | |
| Called up share capital | 12 | 2,611,273 | 2,611,273 |
| Profit and loss account | | <u>6,757,423</u> | <u>6,757,423</u> |
| Shareholders' funds | | <u>9,368,696</u> | <u>9,368,696</u> |

12/22/2022

Approved and authorised by the director on



Jeffrey Mosebrook
Director

Spembly Medical Limited

Statement of Changes in Equity for the Year Ended 31 December 2021

| | Called up share capital £ | Share premium account £ | Profit and loss account £ | Total £ |
|---|---------------------------------|-------------------------------|---------------------------------|------------------|
| At 1 January 2020 | 198,192,494 | 117,029,517 | 99,141,516 | 414,363,527 |
| Profit for the financial year | - | - | 179,050 | 179,050 |
| Total comprehensive income | - | - | 179,050 | 179,050 |
| Dividends | - | - | (468,108,640) | (468,108,640) |
| Conversion of preference share capital classed as liability | 62,934,759 | - | - | 62,934,759 |
| Share capital reduction | (258,515,980) | - | 258,515,980 | - |
| Share premium reduction | - | (117,029,517) | 117,029,517 | - |
| At 31 December 2020 | <u>2,611,273</u> | <u>-</u> | <u>6,757,423</u> | <u>9,368,696</u> |
| | Share capital £ | Share premium £ | Profit and loss account £ | Total £ |
| At 1 January 2021 | <u>2,611,273</u> | <u>-</u> | <u>6,757,423</u> | <u>9,368,696</u> |
| At 31 December 2021 | <u>2,611,273</u> | <u>-</u> | <u>6,757,423</u> | <u>9,368,696</u> |

In 2020, the Company converted all of its preference share capital of 100,398,886 shares of £1 each to 100,398,886 ordinary shares of £1 each. Included in this amount were 62,935 shares which had been classed as a liability in 2019.

On 17 August 2020, the Company cancelled its entire sum of £117,029,517 from its share premium account and reduced the nominal value of its 261,127,253 fully paid ordinary shares from £1 to £0.05.

Spembly Medical Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

1 General information

The company is a private company limited by share capital, incorporated in United Kingdom.

The address of its registered office is:

West Wing, 2nd Floor
Kingsgate House
Newbury Road
Andover
Hampshire
SP10 4DU
United Kingdom

The Company does not trade but acts as a holding company for subsidiaries involved in the sale of medical products.

2 Accounting policies

Statement of compliance

These financial statements were prepared in accordance with the Companies Act 2006 and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK'.

Basis of preparation

These financial statements have been prepared using the historical cost convention. The accounting policies have been applied consistently, other than where new policies have been adopted.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgements or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the 'Critical accounting judgements and key source of estimation uncertainty' section of this note.

Going concern

On the basis of their assessment of the Company's financial position and resources, the director has concluded that there is no material uncertainty with respect to the Company's going concern and that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Spembly Medical Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

2 Accounting policies (continued)

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. The Company is a qualifying entity as its results are consolidated into the financial statements of Integra LifeSciences Holdings Corporation which are publicly available.

As a qualifying entity, the Company has taken advantage of the following exemptions:

- i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102;
- iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102; and
- v) from the requirement to disclose related party transactions under paragraph 33.1A of FRS 102, 'Related Party Disclosures', on the grounds that it is a wholly owned subsidiary of a group headed by Integra LifeSciences Holdings Corporation, whose financial statements are publicly available.

Consolidation

The Company has chosen to take advantage of the exemption provided in Section 401 of the Companies Act 2006 which exempts a parent company from preparing consolidated financial statements on the basis that the company is a wholly owned subsidiary whose ultimate parent prepares consolidated financial statements that are publicly available (see note 13). These financial statements therefore present information about the company as an individual undertaking and not about its group.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment. Where there are any indications of impairment, management consider, by reference to the underlying net assets of the subsidiary and projections of its future profitability, whether any provision for impairment is required.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows obtainable as a result of the asset's continued use. The cash flows are discounted using an appropriate pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the statement of comprehensive income.

If an impairment loss is subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of comprehensive income.

Income from group undertakings

Income from group undertakings comprises dividend income from subsidiary undertakings.

Spembly Medical Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

2 Accounting policies (continued)

Tax

Current tax is provided at amounts expected to be paid or recovered using tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Interest payable and similar expenses

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Financial instruments

(i) Financial assets

Basic financial assets including amounts owed by group undertakings are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

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

(ii) Financial liabilities

Basic financial liabilities, including amounts owed to group undertakings are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Spembly Medical Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

2 Accounting policies (continued)

The Company does not hold or issue derivative financial instruments.

Compound financial instruments comprise convertible preference shares that can be converted to ordinary share capital at the option of the holder, and the number of shares to be issued does not vary with the change in their fair value. The liability component of a compound financial instrument is initially recognised at the fair value of a similar liabilities that do not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle to liability simultaneously.

Foreign currencies

(i) Functional and presentation currency

The Company's functional and presentation currency is the pound Sterling. The Company's functional currency is the currency of the primary economic environment in which it operates. The directors have considered the currency in which funds from financing activities (issuing debt and equity instruments) are generated and have concluded that the functional currency of the Company is Pounds Sterling.

(ii) Transactions and balances

Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit and loss. Non-monetary assets are translated and held at the exchange rate prevailing at the date of acquisition.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Spembly Medical Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

2 Accounting policies (continued)

Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities.

The carrying values of the Company's investments involve judgement and depend on the value of its subsidiaries' net assets and their forecast future profitability and cash flows. Management undertake an annual assessment at each balance sheet date.

3 Income from shares in group undertakings

| | 2021 | 2020 |
|------------------------------------|------|-----------|
| | £ | £ |
| Dividends received from subsidiary | - | 2,856,124 |

4 Interest payable and similar expenses

| | 2021 | 2020 |
|-------------------------------|------|-----------|
| | £ | £ |
| Interest on preference shares | - | 2,677,074 |

5 Staff costs and directors' remuneration

There were no employees or staff costs in the year (2020: none). The directors are all employees of other group companies and received no remuneration for their services as directors of the company during the year (2020: £nil). Their services to the company are incidental and of a non-executive nature and their remuneration, including pension, benefits, is deemed to be wholly attributable to their services to other group companies.

6 Audit fees

Audit fees of £5,000 (2020: £5,000) have been borne by the Company's direct subsidiary undertaking, Integra NeuroSciences Limited a company incorporated in England, with a registered office located at West Wing, 2nd Floor, Kingsgate House, Newbury Road, Andover, Hampshire, SP10 4DU, United Kingdom.

7 Taxation

Tax charged in the income statement

| | 2021 | 2020 |
|-------------------------|------|------|
| | £ | £ |
| Current taxation | | |
| UK corporation tax | - | - |

Spembly Medical Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

7 Taxation (continued)

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2020 - lower than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

| | 2021 £ | 2020 £ |
|--|-----------|-----------|
| Profit before tax | - | 179,050 |
| Profit multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%) | - | 34,019 |
| Non-taxable income | - | (542,664) |
| Expenses not deductible for tax purposes | - | 508,645 |
| Total tax charge | - | - |

Factors that may affect future tax charges

The corporation tax rate is currently 19%. The 19% was substantively enacted on 17 March 2020. Finance Act 2021 introduced an increase in the main Corporation tax rate to 25% from 1 April 2023 on profits over £250,000. The rate for small profits under £50,000 will remain at 19%. Where a company's profits fall between £50,000 and £250,000, the lower and upper limits, it will be able to claim an amount of marginal relief providing a gradual increase in the corporation tax rate. The increase tax rate was substantively enacted on 24 May 2021.

8 Dividends

An interim ordinary dividend of £nil was paid in the year (2020: £468,108,640) and the director does not propose the declaration of a final ordinary dividend (2020: £nil). Dividend per share were £nil (2019: £2.91).

9 Investments

| | 2021 £ | 2020 £ |
|-----------------------------|-----------|-----------|
| Investments in subsidiaries | 8,975,018 | 8,975,018 |
| Subsidiaries | | £ |
| Cost | | |
| At 1 January 2021 | | 8,975,018 |
| Carrying amount | | |
| At 31 December 2021 | | 8,975,018 |
| At 31 December 2020 | | 8,975,018 |

Spemby Medical Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

9 Investments (continued)

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

| Undertaking | | Registered office | Holding | Proportion of voting rights and shares held | |
|-------------------------------|---------------|-------------------|----------|---|------|
| | | | | 2021 | 2020 |
| Subsidiary undertakings | | | | | |
| Integra Limited | NeuroSciences | United Kingdom | Ordinary | 100% | 100% |
| Spemby Limited* | Cryosurgery | United Kingdom | Ordinary | 100% | 100% |
| Integra Austria GmbH | LifeSciences | Austria | Ordinary | 100% | 100% |
| Integra LifeSciences Spain SL | Spain | Spain | Ordinary | 100% | 100% |

*Holding in this company is held indirectly through Integra NeuroSciences Limited.

The principal activity of Integra NeuroSciences Limited is medical products. Spemby Cryosurgery Limited is dormant. Both companies have a registered office located at West Wing, 2nd Floor, Kingsgate House, Newbury Road, Andover, Hampshire, SP10 4DU, United Kingdom.

The principal activity of Integra LifeSciences Austria GmbH is medical products. This company has a registered office at Corazza Kocholl Laimer Rechtsanwälte OG, Maximilianstrasse 9, 6020 Innsbruck, Austria.

Integra LifeSciences Spain SL is dormant and has a registered office at C/. Pradillo, 5 bajo ext dcha, 28002 Madrid, Spain.

As well as equity investments, the Company's cost of investment also includes a non-refundable, non-interest bearing, non-reciprocal capital contribution of £0.6m (2019: £0.6m) made to Integra LifeSciences Austria GmbH.

10 Debtors

| | 2021 | 2020 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Amounts owed by group undertakings | <u>434,581</u> | <u>434,581</u> |

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

Spembly Medical Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

11 Creditors: amounts falling due within one year

| | 2021 | 2020 |
|------------------------------------|---------------|---------------|
| | £ | £ |
| Amounts owed to group undertakings | <u>40,903</u> | <u>40,903</u> |

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

12 Called up share capital

Allotted, called up and fully paid shares

| | 2021 | 2020 |
|-------------------------------|--------------------|---------------------|
| | No. | No. |
| | £ | £ |
| Ordinary shares of £0.01 each | <u>261,127,253</u> | <u>261,127,253</u> |
| | <u>2,611,273</u> | <u>2,611,272.53</u> |

13 Relationship between entity and parents

The immediate parent undertaking is Integra Switzerland Holdings Sàrl, a company incorporated in Switzerland, with a registered office located at Rue Girardet 29, 2400 Le Locle, Switzerland.

The ultimate parent undertaking and controlling party is Integra LifeSciences Holdings Corporation a company incorporated in the state of Delaware, United States of America, with a business address located at 1100 Campus Road, Princeton, NJ 08540, United States of America. Integra LifeSciences Holdings Corporation is the parent of the smallest and largest group to consolidate these financial statements. Copies of Integra LifeSciences Holdings Corporation's consolidated financial statements can be obtained from the Company Secretary at Integra LifeSciences Holdings Corporation, 1100 Campus Road, Princeton, NJ 08540, United States of America.

Document History

SignNow E-Signature Audit Log

All dates expressed in MM/DD/YYYY (US)

Document name: Spembly Medical Limited 2021 Financial Statements Final for signing
Document created: 12/22/2022 14:59:12
Document pages: 21
Document ID: ee7467f49c674073929323b027a333e29d885b00
Document Sent: 12/22/2022 15:16:28 UTC
Document Status: Pending
 12/22/2022 15:21:59UTC

Sender: eve.dyatlova@integralife.com
Signers: jeff.mosebrook@integralife.com, alex.stansbury@bdo.co.uk
CC:

| Client | Event | By | Server Time | Client Time | IP Address |
|-------------|--|--------------------------------|----------------------------|----------------------------|---------------|
| SignNow SSO | Uploaded the Document | eve.dyatlova@integralife.com | 12/22/2022 14:59:12 pm UTC | 12/22/2022 14:59:08 pm UTC | 108.5.126.4 |
| SignNow SSO | Viewed the Document | eve.dyatlova@integralife.com | 12/22/2022 15:00:00 pm UTC | 12/22/2022 15:00:00 pm UTC | 108.5.126.4 |
| SignNow SSO | Document Saved | eve.dyatlova@integralife.com | 12/22/2022 15:16:11 pm UTC | 12/22/2022 15:16:11 pm UTC | 108.5.126.4 |
| SignNow SSO | Invite Sent to: jeff.mosebrook@integralife.com, alex.stansbury@bdo.co.uk | eve.dyatlova@integralife.com | 12/22/2022 15:16:30 pm UTC | 12/22/2022 15:16:27 pm UTC | 108.5.126.4 |
| SignNow SSO | Viewed the Document | jeff.mosebrook@integralife.com | 12/22/2022 15:21:18 pm UTC | 12/22/2022 15:21:18 pm UTC | 72.94.198.157 |
| SignNow SSO | Viewed the Document | jeff.mosebrook@integralife.com | 12/22/2022 15:21:18 pm UTC | 12/22/2022 15:21:18 pm UTC | 72.94.198.157 |
| SignNow SSO | Invite Sent to: jeff.mosebrook@integralife.com, alex.stansbury@bdo.co.uk | eve.dyatlova@integralife.com | 12/22/2022 15:21:56 pm UTC | | 72.94.198.157 |
| SignNow SSO | Invite Sent to: jeff.mosebrook@integralife.com, alex.stansbury@bdo.co.uk | eve.dyatlova@integralife.com | 12/22/2022 15:21:57 pm UTC | | 72.94.198.157 |
| SignNow SSO | Invite Sent to: jeff.mosebrook@integralife.com, alex.stansbury@bdo.co.uk | eve.dyatlova@integralife.com | 12/22/2022 15:21:58 pm UTC | | 72.94.198.157 |
| SignNow SSO | Invite Sent to: alex.stansbury@bdo.co.uk | eve.dyatlova@integralife.com | 12/22/2022 15:21:59 pm UTC | | 72.94.198.157 |
| SignNow SSO | Signed the Document | jeff.mosebrook@integralife.com | 12/22/2022 15:21:59 pm UTC | 12/22/2022 15:21:58 pm UTC | 72.94.198.157 |
| SignNow SSO | Signed the Document | jeff.mosebrook@integralife.com | 12/22/2022 15:21:59 pm UTC | 12/22/2022 15:21:58 pm UTC | 72.94.198.157 |
| SignNow SSO | Signed the Document | jeff.mosebrook@integralife.com | 12/22/2022 15:21:59 pm UTC | 12/22/2022 15:21:58 pm UTC | 72.94.198.157 |
| SignNow SSO | Added a Text | jeff.mosebrook@integralife.com | 12/22/2022 15:21:59 pm UTC | 12/22/2022 15:21:58 pm UTC | 72.94.198.157 |
| SignNow SSO | Added a Text | jeff.mosebrook@integralife.com | 12/22/2022 15:21:59 pm UTC | 12/22/2022 15:21:58 pm UTC | 72.94.198.157 |
| SignNow SSO | Added a Text | jeff.mosebrook@integralife.com | 12/22/2022 15:21:59 pm UTC | 12/22/2022 15:21:58 pm UTC | 72.94.198.157 |
| SignNow SSO | Invite Sent to: alex.stansbury@bdo.co.uk | eve.dyatlova@integralife.com | 12/22/2022 15:22:00 pm UTC | | 72.94.198.157 |