

BTG Limited

**Annual Report and Financial Statements
for the year ended 31 December 2022**

Registered Number 02670500



BTG Limited

Annual report for the year ended 31 December 2022

| Contents | Page |
|---|------|
| Strategic report..... | 2 |
| Directors' report..... | 4 |
| Directors' responsibilities statement..... | 6 |
| Independent auditor's report to the members of BTG Limited..... | 7 |
| Income statement..... | 10 |
| Statement of comprehensive income | 10 |
| Statement of financial position | 11 |
| Statement of changes in equity | 12 |
| Notes to the financial statements | 13 |

BTG Limited

Strategic report

Principal activity and review of business

BTG Limited (the 'Company') is a member of the Boston Scientific Corporation Group (the 'BSC Group') comprising Boston Scientific Corporation ('BSC') and its subsidiary undertakings.

The principal activity of the Company is as a holding company. There has not been any change to the Company's principal activity in the year under review and the Directors, at the date of this report, are not aware of any likely major change in the Company's activities in the next year.

In the year ended 31 December 2022, there was a profit before tax of £425.4m comprising a write down of investments by £420.1m which is more than offset by dividend income from its subsidiary undertaking of £845.0m and £0.5m of finance income.

The profit before tax for the prior year was £1,130.5m being dividend income from its subsidiary undertaking. The Company had no other income or expenses.

As an intermediate holding company performance is assessed on a Group wide basis. Results during the year were in line with expectations.

Principal risks and uncertainties

The Company's income and cash flow is generated from its subsidiary undertakings and as such is dependent on the ongoing profitability of those subsidiaries. The principal risks and uncertainties which the Company's subsidiaries face include:

- Changes in market or regulatory conditions that impact the subsidiaries' business;
- Inability to meet regulatory quality standards applicable to the manufacturing and quality processes and the associated risk of product recalls;
- Pending and potential future intellectual property litigation, product liability claims and other litigation;
- Healthcare costs containment pressures and consolidation in the healthcare industry;
- Intensifying competition among medical device companies and rapid technological changes in the medical devices industry; and
- Changes in international economic conditions, including foreign currency and interest rate fluctuations.

Section 172 (1) Statement

Section 172 (1) of the Companies Act 2006 provides that a director of a company must act in the way he considers, in good faith, would be most likely to 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 the following six factors:

- (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.

The directors, both individually and together, are aware of this duty and consider that they have acted in accordance with s172 of the Companies Act 2006.

The company is a holding company and is required to prepare an s172 statement as a result of its intermediate parent status. The items reported are specific to the Company, with each subsidiary entity reporting separately.

BTG Limited

Strategic report (continued)

Section 172 (1) Statement (continued)

Matters below summarise how the Directors fulfilled their duty.

| Who? | Why? | How? | What? | Outcomes and Actions |
|--|--|--|---|--|
| Shareholders The Company is a 100% subsidiary of BSC | The acquisition by BSC of the BTG Group comprising BTG Limited and its subsidiary undertakings on 19 August 2019 requires the Company to maximise profitability within the BSC Group. | The plan includes the transfer of manufacture sites to the BSC Group to maximise the benefit of larger operations. | In 2022 responsibility for the manufacture of Therasphere was transferred from the BTG Group to an existing BSC manufacturing entity. | Transfer of Therasphere manufacture makes use of the larger BSC operational structure. |
| | Following the acquisition by BSC of the BTG Group, surplus funds in the BTG Group, including funds arising from the sale of businesses to third parties and fellow subsidiaries, are moved by way of dividends to the investing company. | Surplus funds are identified and dividends declared by BTG Group companies, thereby moving funds to the investing company. | In 2022, the Company received dividend income of £845.0m and paid a dividend of £900.0m. | The company continues to transfer surplus funds from the BTG Group to the investing company. |

On behalf of the Board



Jonathan Monson
Director

Registered Office
100 New Bridge Street
London EC4V 6JA

8 September 2023

Registered Number 02670500

BTG Limited

Directors' report

The Directors present their report together with the financial statements and the independent auditor's report for the year ended 31 December 2022. A summary of the financial performance and position of the company is discussed in the strategic report on page 2.

Review of the business

A review of the business is set out in the Strategic report.

Directors and their interests

The Directors who held office during the year and up to the date of this report are given below:

Jonathan Monson
Vance Brown

Directors' remuneration is disclosed in note 5. None of the Directors had an interest in any contract of significance to which the Company or any of its subsidiaries was party to during the year.

Directors' indemnity provisions

The Bylaws of BSC contain a section that provides for indemnification of directors of BSC's subsidiaries (including the Company) under certain conditions, and BSC also has directors and officers insurance that covers the Company's directors. These provisions were in force throughout the period and remain in force at the date of this report.

Dividend

The Directors declared dividends totalling £900.0m during the year (2021: £1,130.5m). The Directors do not propose a final dividend.

Political contributions

The Company neither made political donations nor incurred any political expenditure during the year ended 31 December 2022 (2021: £nil).

Streamlined energy and carbon reporting

The Company is exempt from the Streamlined Energy and Carbon Reporting (SI 2018 No. 1155) regulations as the total energy use was less than 40 MWh over the reporting year.

Financial Risk Management

Liquidity risk

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely. Primarily this is achieved through the Company's deposit with the BSC Group's cash pooling arrangement.

Credit risk

Credit risk is the risk that one party to the financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's receivables are funds deposited with the BSC Group's cash pooling arrangement.

BTG Limited

Directors' report (continued)

Going concern

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 pages 2 to 3.

The Company participates in the BSC Group's cash pooling arrangement. The terms of the agreement allow the Company to increase or reduce its borrowings or deposit with the nominated company that acts as the in-house 'bank'. The in-house 'bank' has provided a loan facility of £5.0m to the Company.

The Directors have made enquiries of Group management and reviewed the financial position of the BSC Group, as set out in its Financial Statements for the year ended 31 December 2022, and are satisfied that the BSC Group has sufficient liquidity for the Company to continue to access the cash balance deposited with the in-house 'bank' and request funding through its loan facility where required throughout the going concern period considered.

The Directors have reviewed the financial performance and position of the Company and have assessed the monthly cash flow forecasts through to 30 September 2024 and considered the Company's ability to settle its expected cost commitments, the headroom in the cash flow forecast and the ability of the Company to control its capital expenditure.

The Directors noted that the Company does not anticipate any material cash expenditure in the foreseeable future.

The Directors noted as at 31 December 2022, the Company had £nil held in its bank account and £31.9m held on deposit with the in-house 'bank' (as at 31 July 2023, the balances stood at £nil and £32.5m respectively). At 31 December 2022 and 30 June 2023, the balance outstanding on the Company's Loan Facility was £nil.

On the basis of their assessment, taking into consideration all the matters set out above, the Directors have a reasonable expectation that the Company will be able to continue in operational existence for the period to 30 September 2024. Accordingly the financial statements have been prepared on a going concern basis.

Disclosure of information to Auditor

The Directors who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

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

On behalf of the Board



Jonathan Monson
Director

Registered Office
100 New Bridge Street
London EC4V 6JA

8 September 2023

Registered Number 02670500

BTG Limited

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

Independent auditor's report to the members of BTG Limited

Opinion

We have audited the financial statements of BTG Limited for the year ended 31 December 2022 which comprise the Income statement, the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 13, 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 FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 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 the period from when the financial statements were authorised for issue until 30 September 2024

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

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

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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 directors' 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 directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent 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 irregularities, including fraud. 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 or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 and the Companies Act 2006) and the relevant direct and indirect tax legislation in the United Kingdom.
- We understood how the company is complying with those frameworks by making enquiries of management to understand how the company maintains and communicates its policies and procedures in these areas, and corroborated this by reviewing supporting documentation. We also reviewed correspondence with relevant authorities.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override. We incorporated data analytics into our testing of manual journals, including segregation of duties. We tested specific transactions backing to source documentation or independent confirmation, ensuring appropriate authorisation of the transaction.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations.
- Our procedures involved testing journals identified by specific risk criteria, and ensuring that dividend payments complied with the relevant accounting and legal requirements.
- We also read the financial statements disclosures, corroborating to supporting documentation including the completion of a disclosure checklist to assess compliance with applicable laws and regulations.

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

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.

Ernst & Young LLP

Carl Stone (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Reading

8 September 2023

BTG Limited

Income statement for the year ended 31 December 2022

| | Notes | 2022 £m | 2021 £m |
|--|-------|----------------|------------|
| Impairment of investments | 4 | (420.1) | - |
| Operating loss | 4 | (420.1) | - |
| Income from shares in group undertakings | | 845.0 | 1,130.5 |
| Finance income | 6 | 0.5 | - |
| Profit before tax | | 425.4 | 1,130.5 |
| Tax charge | 7 | (0.1) | - |
| Profit for the year | | 425.3 | 1,130.5 |

All activity arose from continuing operations.

Statement of comprehensive income for the year ended 31 December 2022

The Company has not recognised income and expense other than those included in the results above, all of which are attributable to equity shareholders.

The notes on pages 13 to 19 form part of these financial statements.

BTG Limited

Statement of financial position as at 31 December 2022

| | Notes | 2022 £m | 2021 £m |
|-------------------------------------|-------|--------------|--------------|
| Assets | | | |
| Non-current assets | | | |
| Investments in subsidiaries | 8 | 178.9 | 599.0 |
| Current assets | | | |
| Trade and other receivables | 9 | 31.9 | 86.4 |
| Cash and cash equivalents | | - | 0.1 |
| | | 31.9 | 86.5 |
| Total assets | | 210.8 | 685.5 |
| Equity | | | |
| Share capital | 11 | - | 39.2 |
| Share premium | 11 | - | 442.2 |
| Merger reserve | 11 | - | 158.1 |
| Retained earnings | | 210.2 | 45.4 |
| Total equity | | 210.2 | 684.9 |
| Current liabilities | | | |
| Trade and other payables | 10 | 0.6 | 0.6 |
| Total liabilities | | 0.6 | 0.6 |
| Total equity and liabilities | | 210.8 | 685.5 |

The financial statements were approved by the Board of Directors on 8 September 2023 and were signed on its behalf by:



Jonathan Monson
Director

The notes on pages 13 to 19 form part of these financial statements.

Registered Number 02670500

BTG Limited

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

| | Share capital £m | Share premium £m | Merger reserve £m | Retained earnings £m | Total equity £m |
|--|------------------------|------------------------|-------------------------|----------------------------|-----------------------|
| At 1 Jan 2021 | 39.2 | 442.2 | 158.1 | 45.4 | 684.9 |
| Profit for the year | - | - | - | 1,130.5 | 1,130.5 |
| Total comprehensive income for the year | - | - | - | 1,130.5 | 1,130.5 |
| Transactions with owners: | | | | | |
| Dividends (note 11) | - | - | - | (1,130.5) | (1,130.5) |
| At 31 Dec 2021 | 39.2 | 442.2 | 158.1 | 45.4 | 684.9 |
| Profit for the year | - | - | - | 425.3 | 425.3 |
| Total comprehensive income for the year | - | - | - | 425.3 | 425.3 |
| Transactions with owners: | | | | | |
| Issue of ordinary shares (note 11) | 158.1 | - | (158.1) | - | - |
| Cancellation of share capital (note 11) | (197.3) | (442.2) | - | 639.5 | - |
| Dividends (note 11) | - | - | - | (900.0) | (900.0) |
| | (39.2) | (442.2) | (158.1) | (260.5) | (900.0) |
| At 31 Dec 2022 | - | - | - | 210.2 | 210.2 |

The notes on pages 13 to 19 form part of these financial statements.

BTG Limited

Notes to the financial statements

1 General information

BTG Limited is a company incorporated and domiciled in the United Kingdom under the Companies Act 2006. The Company is a member of the Boston Scientific Corporation Group (the 'BSC Group' or 'Group') comprising Boston Scientific Corporation ('BSC') and its subsidiary undertakings. The address of the registered office is given on page 3. The nature of the Company's operations and its principal activities are set out in the Strategic report on page 2.

The financial statements have been prepared in accordance with the accounting policies as described below.

2 Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ('FRS 101'). The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with FRS 101 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 judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

These financial statements are presented in Sterling and all values are stated in millions to one decimal place except where otherwise indicated.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined).
- IFRS 7, 'Financial instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, 'Presentation of financial statements' – comparative information requirements in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16, 'Property, plant and equipment'; and
 - paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for minimum of two primary statements, including cash flow statements);
 - 38B–D (additional comparative information);
 - 111 (cash flow statement information); and
 - 134–136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.

BTG Limited

Notes to the financial statements (continued)

2 Significant accounting policies (continued)

(a) Basis of accounting and preparation of financial statements (continued)

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 pages 2 to 3.

The Company participates in the BSC Group's cash pooling arrangement. The terms of the agreement allow the Company to increase or reduce its borrowings or deposit with the nominated company that acts as the in-house 'bank'. The in-house 'bank' has provided a loan facility of £5.0m to the Company.

The Directors have made enquiries of Group management and reviewed the financial position of the BSC Group, as set out in its Financial Statements for the year ended 31 December 2022, and are satisfied that the BSC Group has sufficient liquidity for the Company to continue to access the cash balance deposited with the in-house 'bank' and request funding through its loan facility where required throughout the going concern period considered.

The Directors have reviewed the financial performance and position of the Company and have assessed the monthly cash flow forecasts through to 30 September 2024 and considered the Company's ability to settle its expected cost commitments, the headroom in the cash flow forecast and the ability of the Company to control its capital expenditure.

The Directors noted that the Company does not anticipate any material cash expenditure in the foreseeable future.

The Directors noted as at 31 December 2022, the Company had £nil held in its bank account and £31.9m held on deposit with the in-house 'bank' (as at 31 July 2023, the balances stood at £nil and £32.5m respectively). At 31 December 2022 and 30 June 2023, the balance outstanding on the Company's Loan Facility was £nil.

On the basis of their assessment, taking into consideration all the matters set out above, the Directors have a reasonable expectation that the Company will be able to continue in operational existence for the period to 30 September 2024. Accordingly the financial statements have been prepared on a going concern basis.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

(b) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the foreign exchange rate ruling at that date. Exchange gains/losses on retranslation of foreign currency transactions and balances within trading intercompany balances are recognised in the income statement.

Non-monetary assets and liabilities that are measured at historical cost or stated at fair value are translated using the exchange rate ruling at the date of transaction or the date the fair value was determined.

(c) Investments in subsidiaries

Investments in subsidiaries are carried at cost, less provisions for permanent diminution in value.

(d) Trade and other receivables

Trade and other receivables are stated at amortised cost net of any provisions. Provisions for bad and doubtful debts reflect the value of trade and other receivables to their estimated recoverable amounts based on future expected credit losses.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Cash deposits with a maturity of greater than three months are classified as held to maturity financial assets.

BTG Limited

Notes to the financial statements (continued)

2 Significant accounting policies (continued)

(f) *Impairment*

All assets are reviewed for impairment when there is an indicator of impairment. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The Company reviews its assets for impairment as follows:

Investments in subsidiaries

Impairment is deemed to arise when there is a significant or prolonged decline in the recoverable amount of the equity instrument below its carrying value. Impairment losses are recognised in the income statement.

(g) *Trade and other payables*

Trade and other payables are stated at amortised cost.

(h) *Finance income*

Finance income comprises interest receivable during the period, calculated using the effective interest rate method.

(i) *Tax*

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences arising between the carrying value of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss or where, in respect of taxable temporary differences associated with investments in subsidiaries and associates, it is probable that the temporary differences will not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying value of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

(j) *Merger reserves*

A merger reserve is used where more than 90% of the shares in a subsidiary are acquired and the consideration includes the issue of new shares by the Company, thereby attracting merger relief under s612 and s613 of the Companies Act 2006.

3 Critical accounting judgements

Recoverability of investments

Determination of the recoverable amount of an investment is undertaken primarily through the estimation of its value in use. The value in use calculation requires estimation of future cash flows expected to arise from the investment and of a suitable discount rate, in order to calculate present value. There is a risk of material adverse impact on the income statement should an impairment adjustment be required to be reflected in the financial statements.

BTG Limited

Notes to the financial statements (continued)

4 Operating loss

| | 2022 £m | 2021 £m |
|--|------------|------------|
| Operating loss is stated after charging: | | |
| Impairment of investments (Note 8) | 420.1 | - |

| | 2022 £'000 | 2021 £'000 |
|---|---------------|---------------|
| The analysis of Auditor's remuneration is as follows: | | |
| Audit of the Company's annual financial statements | 14 | 13 |

5 Directors' remuneration

The number of directors remunerated by the Company for the year ended 31 December 2022 was nil (2021: nil). The two directors of the Company who served during the year (2021: two) were remunerated by other BSC Group entities. They did not receive specific remuneration for their qualifying services as directors of BTG Limited and no allocation of their remuneration costs has been made for the year (2021: nil).

During the year, none of the directors (2021: two) exercised share options.

6 Finance income

| | 2022 £m | 2021 £m |
|---|------------|------------|
| Finance income | | |
| Interest on balance owed by group companies | 0.5 | - |

7 Tax

| | 2022 £m | 2021 £m |
|--|------------|------------|
| Current taxation | | |
| Current tax on profit for the financial year | 0.1 | - |

Corporation tax in the UK is calculated at 19% of the estimated assessable profit for the year. Corporation tax for the year is different to that arising from applying the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

| | 2022 £m | 2021 £m |
|--|------------|------------|
| Profit before tax | 425.4 | 1,130.5 |
| Tax charge on profit on ordinary activities at 19% (2021: 19%) | 80.8 | 214.8 |
| Expenditure not deductible for tax purposes | 79.9 | - |
| Non-taxable dividend income | (160.6) | (214.8) |
| | 0.1 | - |

BTG Limited

Notes to the financial statements (continued)

8 Investments in subsidiaries

| | £m |
|--|--------------|
| Cost | |
| At 1 Jan 2021, 31 Dec 2021 & 31 Dec 2022 | 599.0 |
| Impairment | |
| At 1 Jan 2021 & 31 Dec 2021 | - |
| Movement during the year | 420.1 |
| At 31 Dec 2022 | 420.1 |
| Carrying Value | |
| At 31 Dec 2022 | 178.9 |
| At 31 Dec 2021 | 599.0 |

The write down of investments in 2022 of £420.1m comprises:

- A write down by £15.4m of the capital contribution that had previously arisen on share based payments granted for the benefit of certain subsidiaries held indirectly by the Company; and
- The write down by £404.7m of the carrying value of the Company's investment in BTG International (Holdings) Limited.

These impairment of investments were more than offset by dividend income from BTG International (Holdings) Limited of £845.0m.

Subsidiary investments

Details of subsidiary undertakings, all of which are wholly owned and incorporated in the United Kingdom and registered in England and Wales, unless shown otherwise, are listed below. All subsidiary undertakings have the same reporting date as the Company and operate principally in their country of incorporation.

| Direct holdings | Registered Office | Class of capital | Principal activity |
|--------------------------------------|---|------------------|--|
| BTG International (Holdings) Limited | 100 New Bridge Street, London, EC4V 6JA | Ordinary | Investment in Intellectual Property Rights ('IPR') management and contract manufacturing companies |
| Provensis Limited | Chapman House, Farnham Business Park, Weydon Lane, Farnham, Surrey GU9 8 QL | Ordinary | Development and commercialisation of IPR ¹ |
| Indirect holdings | Registered Office | Class of capital | Principal activity |
| Biocompatibles UK Limited | Chapman House, Farnham Business Park, Weydon Lane, Farnham, Surrey GU9 8 QL | Ordinary | Development, management and commercialisation of IPR and manufacture of associated products ¹ |
| BTG International Limited | 100 New Bridge Street, London, EC4V 6JA | Ordinary | Development, management and commercialisation of IPR |
| BTG Management Services Limited | 100 New Bridge Street, London, EC4V 6JA | Ordinary | The company has ceased its activities and is being prepared for a voluntary strike off |

¹On 15 December 2022, Provensis Limited and Biocompatibles UK Limited sold their IP to a fellow BSC Group undertaking. After this date, the principal activity of these companies was contract manufacturing for BSC Group undertakings.

On 1 March 2021, the Company's indirect subsidiary undertaking, BTG Management Services Limited, completed the sale of the BTG Specialty Pharmaceuticals Business to Stark International Lux S.A.R.L., and SERB SAS, affiliates of SERB, a European specialty pharmaceutical group, for £576.7m in cash. The sale follows the definitive agreement announced on 1 December 2020. The BTG Specialty Pharmaceuticals Business comprises BTG International Healthcare Limited and its subsidiary undertakings, which were indirect subsidiaries of the Company.

BTG Limited

Notes to the financial statements (continued)

9 Trade and other receivables

| | 2022 £m | 2021 £m |
|-------------------------------------|------------|------------|
| Amounts due within one year: | | |
| Amounts owed by Group companies | 31.9 | 86.4 |

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

10 Trade and other payables

| | 2022 £m | 2021 £m |
|---|------------|------------|
| Amounts falling due within one year: | | |
| Other payables | 0.6 | 0.6 |

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

11 Share capital and share premium

Movement in share capital and share premium

| | Shares Number | Share capital £m | Share Premium £m |
|--|------------------|---------------------|---------------------|
| Allotted, called up and fully paid | | | |
| Ordinary shares of 10p each | | | |
| At 1 Jan 2021 and 31 Dec 2021 | 392,487,003 | 39.2 | 442.2 |
| Capitalisation of merger reserve | 1,580,772,100 | 158.1 | - |
| Cancellation of shares capital and share premium | (1,973,259,102) | (197.3) | (442.2) |
| At 31 Dec 2022 | 1 | - | - |

Capitalisation of merger reserve and reduction in capital

On 16 November 2022, the Company capitalised the balance on the merger reserve of £158.1m through the issue of 1,580,772,100 ordinary shares of £0.10 each.

The Company then reduced its share capital by cancelling and extinguishing 1,973,259,102 ordinary shares of £0.10 and cancelling the Company's share premium of £442.2m. The reduction was credited to distributable reserves.

Dividends

| | 2022 £m | 2021 £m |
|---|------------|------------|
| Interim dividend of £900.0m per share (2021: £2.88 per share) | 900.0 | 1,130.5 |

12 Ultimate and immediate parent company

The Company's ultimate parent company is Boston Scientific Corporation ('BSC'), a company is registered in Delaware, USA. The Annual Report and Accounts of BSC are available to the public and may be obtained from 300 Boston Scientific Way, Marlborough, Massachusetts, USA.

The Company's immediate parent is Bravo Bidco Limited, registered in England and Wales.

The parent undertaking of the smallest and largest group to consolidate these financial statements is BSC.

BTG Limited

Notes to the financial statements (continued)

13 Events after the end of the reporting period

There were no events in the period after the end of the reporting period through to the date of approval of these financial statements that required adjustment or disclosure in the financial statements.