

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**MERIT MEDICAL UK LIMITED**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2017**  
**COMPANY NUMBER: 3001008**

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**MERIT MEDICAL UK LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**MERIT MEDICAL UK LIMITED**  
**DIRECTORS AND OTHER INFORMATION**

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<b>DIRECTORS</b>	<b>Fred Lampropoulos Mark Butler Bernard Birkett (Resigned 25 May 2018) Brian Glen Lloyd (Appointed 25 May 2018)</b>
<b>SECRETARY</b>	<b>Jordans Trust Company Limited</b>
<b>REGISTERED OFFICE</b>	<b>Suite 1 3<sup>rd</sup> Floor 11 – 12 St. James's Square London SW1Y 4LB United Kingdom</b>
<b>AUDITOR</b>	<b>Deloitte Ireland LLP Statutory Audit Firm Galway Financial Services Centre Moneenageisha Road Galway Ireland</b>
<b>BANKERS</b>	<b>Bank of America 5 Canada Square London E14 5AQ United Kingdom</b>  <b>Danske Bank Donegall Square West Belfast Co. Antrim BT1 6JS Northern Ireland</b>  <b>HSBC 60 Queen Victoria Street London EC 4N UK</b>
<b>SOLICITOR</b>	<b>A &amp; L Goodbody North Wall Quay Dublin 1 Ireland</b>
<b>COMPANY NUMBER</b>	<b>3001008</b>

**MERIT MEDICAL UK LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2017. This directors' report has been prepared in accordance with the provisions applicable to companies subject to the small companies exemption.

**RESULTS AND DIVIDENDS**

The profit after taxation for the year amounted to £294,004 (2016: £5,406).

The directors recommend that no dividend be paid (2016: Nil).

**KEY PERFORMANCE INDICATOR**

Commission income has increased from 2016 to 2017. Commission income is based on a cost plus agreement with a fellow group company.

**DIRECTORS**

The directors, who served at all times during the year except as noted, were as follows:

Fred Lampropoulos  
Mark Butler  
Bernard Birkett (Resigned 25 May 2018)  
Brian Glen Lloyd (Appointed 25 May 2018)

**COMPANY NUMBER**

The company number is 3001008.

**DIRECTORS' INTEREST IN SHARES**

None of the directors who held office at 31 December 2017 had any beneficial interest in the shares of the company at 31 December 2017, or 1 January 2017.

The directors at 31 December 2017 beneficially held the following shares in the parent company, Merit Medical Systems Inc.

Beneficial interests:	31/12/2017		01/01/2017	
	No. Ordinary Shares	No. Ordinary Options	No. Ordinary Shares	No. Ordinary Options
Fred Lampropoulos	1,176,250	470,000	1,166,276	270,000
Mark Butler	-	55,000	-	31,000
Bernard Birkett	1,075	120,000	1,075	70,000

Certain directors have options to acquire shares in Merit Medical Systems Inc. as follows:

			Exercised during year	Cancelled during year	Granted during year	31 December 2017	Average option price US\$
	1 January 2017	Adjustments					
Fred Lampropoulos	270,000	-	-	-	200,000	470,000	20.34
Mark Butler	31,000	4,000	-	-	20,000	55,000	19.44
Bernard Birkett	70,000	-	-	-	50,000	120,000	20.84

**MERIT MEDICAL UK LIMITED**  
**DIRECTORS' REPORT - CONTINUED**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**EVENTS AFTER THE BALANCE SHEET DATE**

Details of significant events since the balance sheet date are contained in note 18 to the financial statements.

**AUDITOR**


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

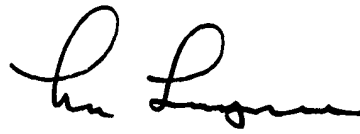
- (1) So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (2) The director has taken all the steps that he/she ought to have taken as a director in order to make him/herself aware of any relevant audit information and to establish 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.

Deloitte Ireland LLP, Statutory Auditor, continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:

  
MARK BUTLER  
DIRECTOR

  
FRED LAMPROPOULOS  
DIRECTOR

Date: 26<sup>th</sup> September 2018.

**MERIT MEDICAL UK LIMITED**  
**DIRECTORS' RESPONSIBILITIES STATEMENT**

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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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MERIT MEDICAL UK LIMITED

### Report on the audit of the financial statements

#### Opinion

In our opinion the financial statements of Merit Medical UK Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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 of Merit Medical UK Limited (the 'company') which comprise:

- the statement of accounting policies;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the 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

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

#### Other information

The directors are 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MERIT MEDICAL UK LIMITED**

### **Responsibilities of directors**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the group) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

### **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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 directors' report.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MERIT MEDICAL UK LIMITED

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

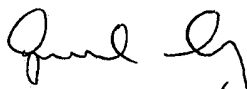
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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 director's 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.



Gerard Casey (Senior statutory auditor)  
For and on behalf of Deloitte Ireland LLP  
Statutory Auditor  
Galway, Ireland

Date: 26 September, 2018

**MERIT MEDICAL UK LIMITED**  
**STATEMENT OF ACCOUNTING POLICIES**

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The significant accounting policies adopted by the company are as follows:

**GENERAL INFORMATION AND BASIS OF ACCOUNTING**

Merit Medical UK Limited is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 2. The nature of the company's operations and its principal activities are set out in the directors' report on pages 3 to 4.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with the Companies Act 2006 and Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Merit Medical UK Limited is considered to be sterling because that is the currency of the primary economic environment in which the company operates.

These financial statements are separate financial statements.

Merit Medical UK 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. Merit Medical UK Limited is consolidated in the financial statements of its parent Merit Medical Systems Inc. Exemptions have been taken in these separate company financial statements in relation to the presentation of a cash flow statement and remuneration of key management personnel.

**Turnover**

Turnover comprises commission income earned during the year on sales in the United Kingdom. Turnover represents the reimbursement of costs incurred for services provided to the group (excluding value added tax and foreign exchange movements) on a cost plus arrangement. All income is derived from a group company operating in the United States.

**Tangible assets**

Tangible fixed assets are stated at cost, net of depreciation and any allowance for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Office Equipment	33⅓% per annum
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Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

**Foreign currencies**

Transactions denominated in foreign currencies relating to revenues, costs, and non-monetary assets are translated into sterling at the monthly rate of exchange.

Monetary assets and liabilities denominated in a foreign currency are translated into sterling at the rate of exchange ruling at the balance sheet date.

All profits and losses arising on exchange are reflected in the statement of comprehensive income.

**MERIT MEDICAL UK LIMITED**  
**STATEMENT OF ACCOUNTING POLICIES - CONTINUED**

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**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 years 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.

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.

Deferred tax assets and liabilities are offset only if: a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the company and the company intends either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**Retirement benefit obligations**

For defined benefit schemes the amounts charged to operating profit are the costs arising from employee services rendered during the year and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to statement of comprehensive income and included within finance costs. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

For defined contribution schemes the amounts charged to the statement of comprehensive income in respect of pension costs and other post-retirement benefits are the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Other long-term employee benefits are measured at the present value of the benefit obligation at the reporting date.

**Leases**

All operating lease rentals are charged to the statement of comprehensive income on a straight line basis.

**MERIT MEDICAL UK LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

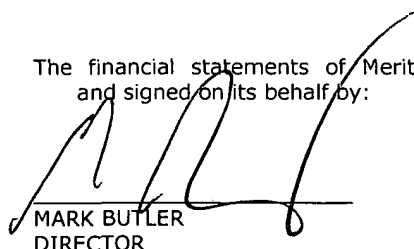
	Note	2017 £	2016 £
<b>TURNOVER</b>	2	<b>4,194,272</b>	2,938,152
Other operating expenses	3	<b>(3,820,720)</b>	(2,934,669)
<b>OPERATING PROFIT</b>		<b>373,552</b>	3,483
Other income	6	<b>11,343</b>	9,409
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	7	<b>384,895</b>	12,892
Taxation	8	<b>(90,891)</b>	(7,486)
<b>PROFIT FOR THE YEAR ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE COMPANY</b>		<b>294,004</b>	5,406
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE COMPANY</b>		<b>294,004</b>	5,406

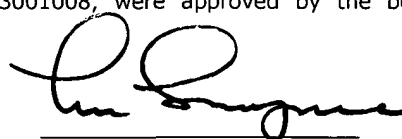
All recognised gains and losses for both the current year and the previous year are included in the statement of comprehensive income. All of the above derive from continuing operations.

**MERIT MEDICAL UK LIMITED**  
**BALANCE SHEET AS AT 31 DECEMBER 2017**

	Note	2017 £	2016 £
<b>FIXED ASSETS</b>			
Tangible assets	9	<b>14,334</b>	9,197
Financial assets	10	<b>5,137</b>	5,137
		<b>19,471</b>	14,334
<b>CURRENT ASSETS</b>			
Debtors	11	<b>1,800,790</b>	1,556,633
Cash at bank and in hand		<b>451,787</b>	270,344
		<b>2,252,577</b>	1,826,977
<b>CREDITORS</b> (Amounts falling due within one year)	12	<b>(535,884)</b>	(400,035)
<b>NET CURRENT ASSETS</b>		<b>1,716,693</b>	1,426,942
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,736,164</b>	1,441,276
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	13	<b>(2,723)</b>	(1,839)
<b>NET ASSETS</b>		<b>1,733,441</b>	1,439,437
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	<b>100</b>	100
Profit and loss account	14	<b>1,733,341</b>	1,439,337
<b>SHAREHOLDERS' FUNDS</b>		<b>1,733,441</b>	1,439,437

The financial statements of Merit Medical UK Limited, 3001008, were approved by the board of directors on and signed on its behalf by:

  
MARK BUTLER  
DIRECTOR

  
FRED LAMPROPOULOS  
DIRECTOR

**MERIT MEDICAL UK LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £	Profit and loss account £	Total £
<b>AT 1 JANUARY 2017</b>	<b>100</b>	<b>1,439,337</b>	<b>1,439,437</b>
Total comprehensive income	-	294,004	294,004
	<hr/>	<hr/>	<hr/>
<b>AT 31 DECEMBER 2017</b>	<b>100</b>	<b>1,733,341</b>	<b>1,733,441</b>
	<hr/>	<hr/>	<hr/>
<b>In respect of the prior year:</b>			
	Called up share capital £	Profit and loss account £	Total £
AT 1 JANUARY 2016	100	1,433,931	1,434,031
Total comprehensive income	-	5,406	5,406
	<hr/>	<hr/>	<hr/>
AT 31 DECEMBER 2016	100	1,439,337	1,439,437
	<hr/>	<hr/>	<hr/>

**MERIT MEDICAL UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**1. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the company's accounting policies, which are described in the Statement of Accounting Policies, the director is required to make judgements, 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 year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

**Critical judgements in applying the company's accounting policies**

There were no critical judgements made by the directors during the year in the process of applying the company's accounting policies.

**Key sources of estimation uncertainty**

There were no key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements.

**2. TURNOVER**

	<b>2017</b> <b>£</b>	2016 <b>£</b>
An analysis of the company's turnover by geographical market is set out below:		
United Kingdom	<b>4,194,272</b>	2,938,152
	<hr/>	<hr/>
An analysis of the company's turnover is as follows:		
Commission income	<b>4,194,272</b>	2,938,152
	<hr/>	<hr/>

**3. OTHER OPERATING EXPENSES**

	<b>2017</b> <b>£</b>	2016 <b>£</b>
Distribution costs	<b>3,537,920</b>	2,584,562
Administrative expenses	<b>276,026</b>	86,486
Foreign exchange loss	<b>6,774</b>	263,621
	<hr/>	<hr/>
	<b>3,820,720</b>	2,934,669
	<hr/>	<hr/>

**4. DIRECTORS' EMOLUMENTS**

The remuneration paid to the directors of Merit Medical UK Limited was:

	<b>2017</b> <b>£</b>	2016 <b>£</b>
Fees	-	-
Other emoluments (including pension contributions and benefits in kind)	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

**MERIT MEDICAL UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**5. EMPLOYEES AND REMUNERATION**

The average monthly number of persons employed during the year was:

	2017 Number	2016 Number
Marketing and sales	21	16
	<b>2017</b>	<b>2016</b>
	£	£
Wages and salaries	2,330,850	1,752,663
National insurance	323,415	259,045
Retirement benefit obligations (Note 16)	80,454	45,158
	<b>2,734,719</b>	<b>2,056,866</b>

**6. OTHER INCOME**

	2017 £	2016 £
Intercompany interest receivable	11,343	9,409

**7. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	2017 £	2016 £
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation of tangible assets	6,416	5,294
Operating lease charges	98,463	74,479
Foreign exchange loss	6,774	263,621

**8. TAXATION**

	2017 £	2016 £
<b>Taxation charge for the year</b>		
United Kingdom current year corporation tax	90,007	7,759
Current tax charge for the year	90,007	7,759
Deferred tax (Note 13)	884	(273)
	<b>90,891</b>	<b>7,486</b>
<b>Factors affecting tax charge for the year</b>		
Profit on ordinary activities before taxation	384,895	12,892
Profit on ordinary activities multiplied by the standard rate of taxation of 19.25% (2016: 20%)	74,092	2,578
<b>Effects of:</b>		
Items not deductible for tax purposes	15,043	4,934
Depreciation in excess of capital allowances	872	247
Current taxation charge for the year	<b>90,007</b>	<b>7,759</b>



**MERIT MEDICAL UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2017**

<b>9. TANGIBLE ASSETS</b>	<b>Office Equipment £</b>	<b>Total £</b>
<b>Cost:</b>		
At 1 January 2017	29,735	29,735
Additions	12,525	12,525
Disposals	(10,640)	(10,640)
<b>At 31 December 2017</b>	<b>31,620</b>	<b>31,620</b>
<b>Depreciation:</b>		
At 1 January 2017	20,538	20,538
Charge for the year	6,416	6,416
Disposals	(9,668)	(9,668)
<b>At 31 December 2017</b>	<b>17,286</b>	<b>17,286</b>
<b>Net book value: At 31 December 2017</b>	<b>14,334</b>	<b>14,334</b>
At 31 December 2016	9,197	9,197

<b>10. FINANCIAL ASSETS</b>	<b>2017 £</b>	<b>2016 £</b>
Investment in subsidiary at cost (unlisted)	<b>5,137</b>	5,137
<b>Subsidiary Undertaking (Wholly Owned)</b>		

<b>Name</b>	<b>Registered Office</b>	<b>Nature of Business</b>
Merit Medical Australia Ltd	Baker McKenzie L19 181 William Street Melbourne VIC 3000 Australia	Sale and Distribution of Medical Devices
Merit Medical Spain Ltd	Doctor Fleming 31 -28036 Madrid Spain	Sale and Distribution of Medical Devices

The directors are satisfied that the carrying values of the investments do not exceed the recoverable amount.

Consolidated financial statements have not been prepared by the company as the company's ultimate parent company, Merit Medical Systems Inc., prepares group financial statements which include the results of the company and its subsidiaries made up to 31 December 2017.

<b>11. DEBTORS</b>	<b>2017 £</b>	<b>2016 £</b>
Amounts falling due within one year:		
Amount due from group company	<b>1,706,628</b>	1,489,522
Other debtors	<b>52,864</b>	11,956
Prepayments	<b>41,298</b>	37,777
Corporation tax receivable	-	17,378
	<b>1,800,790</b>	1,556,633

**MERIT MEDICAL UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2017**

<b>12. CREDITORS</b> (Amounts falling due within one year)	<b>2017</b> <b>£</b>	2016 <b>£</b>
Trade creditors	<b>840</b>	7,372
Accruals	<b>361,462</b>	298,577
Corporation tax payable	<b>52,382</b>	-
Social security payable	<b>121,200</b>	94,086
	<hr/> <b>535,884</b> <hr/>	<hr/> 400,035 <hr/>
<b>13. PROVISION FOR LIABILITIES AND CHARGES</b>	<b>2017</b> <b>£</b>	2016 <b>£</b>
<b>Deferred tax</b>		
Accelerated capital allowances	<b>2,723</b>	1,839
	<hr/> <b>2,723</b> <hr/>	<hr/> 1,839 <hr/>
<b>14. CALLED UP SHARE CAPITAL AND RESERVES</b>	<b>2017</b> <b>£</b>	2016 <b>£</b>
<b>Allotted, called-up and fully paid:</b>		
100 Ordinary shares of £1 each	<b>100</b>	100
	<hr/> <b>100</b> <hr/>	<hr/> 100 <hr/>

The company's other reserves are as follows:

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

**15. OPERATING LEASES**

Total future minimum lease payments under non-cancellable operating leases as follows:

	<b>2017</b> <b>Motor Vehicles</b> <b>£</b>	2016 <b>Motor Vehicles</b> <b>£</b>
Payable:		
- Within one year	<b>95,195</b>	67,816
- Between two to five years	<b>66,295</b>	66,083
- More than five years	-	-
	<hr/> <b>161,490</b> <hr/>	<hr/> 133,899 <hr/>

**16. RETIREMENT BENEFIT OBLIGATIONS**

The company operates a defined contribution scheme for employees. The assets of the scheme are held separately from those of the company. The total pension cost to the company in the year was £80,454 (2016: £45,158). The amount owing at 31 December 2017 was £Nil (2016: £Nil).

**MERIT MEDICAL UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**17. PARENT COMPANY AND RELATED PARTY TRANSACTIONS**

The company is a subsidiary of Merit Holdings Inc., a company incorporated in the U.S.A. The company's ultimate parent company is Merit Medical Systems Inc., a company incorporated in the U.S.A.

A significant proportion of the company's income arises from the sale of group products. Certain expenses and services are shared with a fellow group company and apportioned as deemed appropriate by management.

The company has availed of the exemption provisions of Financial Reporting Standard 102 (S.33) on Related Party Transactions on the grounds of being a wholly owned subsidiary. Copies of the consolidated financial statements of the parent company are available from 1600 West Merit Parkway, South Jordan, Utah, U.S.A.

**18. EVENTS AFTER THE BALANCE SHEET DATE**

There has been no significant events affecting the company since the balance sheet date.