

BSN medical Distribution Limited

Strategic report, Directors' report and Financial Statements

31 December 2021



Directors

A Jordan (Resigned 26.10.2021)

D Hall

C Goeke (Resigned 28.10.2021)

P Bailey (Appointed 26.10.2021)

Secretary

D Hall

Registered office

Willerby Hill Business Park

Willerby

Hull

HU10 6FE

Auditors

Ernst & Young LLP

24 Marina Court

Castle Street

Hull

HU1 1TJ

Bankers

Commerzbank AG London

30 Gresham Street

London

EC2V 7PG

Strategic report

The directors present their strategic report for the year ended 31 December 2021.

Review of the business

The company did not trade during 2021.

During the period 1st January to 30th April 2020, BSN medical Distribution Limited ("the company") distributed a significant proportion of the Essity group's medical products into Europe via a 'pick and pack' operation and provided back office finance and administration services to affiliate companies.

The company operated out of five warehouse facilities throughout the year in the Netherlands, the UK, France Italy and Spain. Finance back office and administration services were operated for the UK, Germany, Netherlands, France, Sweden, Spain, Austria and Switzerland from the shared service centre in Willerby.

On 1st May 2020, the trading assets of the Company were transferred to a newly incorporated entity in the Netherlands, Essity Distribution BV ("EDBV"). As such, assets belonging to the Company were transferred to, and responsibility for the liabilities and obligations relating to those assets were assumed by, EDBV.

This decision was taken primarily due to the uncertainty which exists in connection to the UK's position in respect of the EU medical device regulations, which has been created following the UK's exit from the European Union. The Essity Group wish to ensure the regulations apply and are complied with by transferring ownership of the business and assets of the Company to an entity within the European Union, EDBV.

In addition, the operation of the back office finance and administration services to affiliated companies completed within this company were transferred on 1st May 2020 to other Essity group entities.

The key company's key performance indicators during the year were as follows:

	2021	2020	Change
	€000	€000	%
Turnover	-	52,691	(100.0%)
Gross profit	-	1,910	(100.0%)
Operating loss	(51)	(999)	(94.8%)
Operating loss to turnover	(100%)	(1.9%)	5163%
Loss before taxation	(24)	(1,144)	97.9%
Loss before taxation to turnover	(100%)	(2.2%)	(4445%)

The above performance indicators reflect the decision to transfer the business to another company within the Essity Group, and therefore cease the Company's operations, on 1st May 2020, as outlined above.

Strategic report (continued)

Principal risks and uncertainties

The Company ceased trading with effect 1st May, 2020 and the risk profile of the business is now substantially different from the previous years.

The principal risk facing the business at the balance sheet date is the realisability of debtors, primarily being amounts owed by other group undertakings. Essity AB has an investment grade credit rating and limited risk is perceived by the directors.

The continuation of the COVID19 pandemic across the world is not having an effect on BSN. Further we note that the Russian/Ukraine conflict is not having an effect on the UK business

Section 172 Statement

The Directors fully understand their responsibilities under Section 172(1) of the Companies Act 2006 to promote the success of the Company, having regard to:

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

The following stakeholder groups according to Section 172(1) of the Companies Act 2006 were identified by the Directors as relevant for BSN medical Distribution Limited:

Suppliers

Suppliers are a critical link in the overall supply chain, providing a source of value, consistency of quality and service and opportunity for innovation to meet the Company's business needs. Developing strong working relationships with the Company's suppliers is crucial to ensure these needs are met.

Customers

Engagement with customers drives alignment with our values, strategies, priorities, and strategic partnerships help to ensure business sustainability and growth. There are regular communication and review meetings to agree short, medium and long-term goals to develop relationships and ensure continuous improvement.

Regulators

The Company operates in a highly regulated industry and thus engaging with regulators, as required, is of vital importance. The Company has access to specialist personnel and services within the group to ensure all regulatory obligations are met.

Pension schemes

Providing effective savings and retirement planning for employees through engagement with a third-party advisor and mitigating impacts of rising pension costs and providing cover for employees' families.

Strategic report (continued)

Section 172 Statement (continued)

Community

Community engagement is recognised as important to employees and the communities in which the divisions operate. Employees can nominate local charities for fundraising events or request sponsorship/donations to local causes, which have a positive impact on employees and communities with which divisions are involved.

Section 172(2) Principal decisions

The decision to transfer the operating activities of the Company to Essity Distribution B.V. on 1st May 2020, is considered to be both material to the Company and significant to any of the Company's stakeholders listed above under Section 1. The Directors have considered the stakeholders in making its principal decisions.

By order of the Board



D Hall
Secretary

5 Sept 2022

Directors' report

The directors present their report for the year ended 31 December 2021.

Directors of the company

The directors who served the company during the year were as follows:

A Jordan (Resigned 26.10.2021)

D Hall

C Goeke (Resigned 28.10.2021)

P Bailey (Appointed 26.10.2021)

No director had any beneficial interest in the share capital of the company.

Dividends

The directors do not recommend a final dividend (2020 – €nil).

Going concern

As of 31 December 2021, the Company had net assets of €14,652,000 (2020: €14,676,000) and net current assets of €14,652,000 (2020: net current assets of €14,676,000). The financial statements have been prepared on a going concern basis.

With regard to the current COVID-19 pandemic, there remains uncertainty on its impact on the wider Essity Group. The Essity Group, which is a Swedish listed group, has considerable financial resources and continues to trade profitably.

From the 1 May 2020 the company has ceased its operations having transferred all its operations to fellow group companies. The Company's financial forecasts, taking into consideration these changes, show that the Company has sufficient funds to meet its obligations for the foreseeable future. Based on these facts and the aforementioned financial position and forecast cash flows of the Company, the Directors have concluded it is appropriate for the financial statements to be prepared on a going concern basis.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that they are obliged to take as a directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the Board



D Hall
Secretary

5 Sept 2022

Directors' report (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the annual reports 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 Financial Reporting Standard 101 Reduced Disclosure Framework 101 (FRS 101).

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

- select suitable accounting policies and then apply them consistently;
- make judgments and 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BSN MEDICAL DISTRIBUTION LIMITED

Opinion

We have audited the financial statements of BSN medical Distribution Limited for the year ended 31 December 2021 which comprise of the primary statements such as the Income Statement, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 14, 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 2021 and of its loss 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 below. 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 a period of 12 months from when the financial statements are authorised for issue..

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

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BSN MEDICAL DISTRIBUTION LIMITED (continued)

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

We have nothing to report in this regard.

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 six, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BSN MEDICAL DISTRIBUTION LIMITED (continued)

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.

- 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, the Companies Act 2006 and the relevant tax laws and regulations in the UK. In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements relating to food safety, health and safety, employee matters and data protection.
- We understood how the company is complying with those frameworks by making enquiries of management. We corroborated our enquiries through our review of board minutes and consideration of the results of our audit procedures across the company.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management from various parts of the business to understand where they considered there was susceptibility to fraud and reviewed the entity level controls in place. We also considered the existence of performance targets and their potential influence on management to manage earnings. We considered the controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how management monitors those controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- Based on this understanding we designed our audit procedures to identify non-compliance with the laws and regulations identified in the paragraphs above. Our procedures involved: journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions; enquiries of company management; and challenging the assumptions and judgements made by management by reviewing third party evidence wherever possible. We also leveraged our data analytics platform in performing our work to assist in identifying higher risk transactions for testing. The results of our procedures did not identify any instances or irregularities, including fraud.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BSN MEDICAL DISTRIBUTION LIMITED (continued)

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.



Richard Frostick (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Hull

Date: 6 Sept 2022

Income statement

for the year ended 31 December 2021

	Notes	2021 €000	2020 €000
Turnover	3	-	52,691
Cost of sales		-	(50,781)
Gross profit		-	1,910
Distribution costs		-	(3,178)
Administrative expenses		(15)	(4,969)
Other operating income	4	66	5,238
Operating (loss)/profit	5	51	(999)
Other finance costs	6	(75)	(145)
(Loss) on ordinary activities before taxation		(24)	(1,144)
Tax	9	-	-
(Loss) for the financial year		(24)	(1,144)

All amounts relate to discontinued activities.

The company has no recognised gains or losses for the year other than the results above and therefore no separate statement of comprehensive income has been presented.

Balance sheet

at 31 December 2021

	Notes	2021 €000	2020 €000
Current Assets			
Debtors: amounts falling within one year	10	14,652	13,016
Cash at bank and in hand		-	1,660
		14,652	14,676
Net current assets		14,652	14,676
Total assets less current liabilities		14,652	14,676
Net assets		14,652	14,676
Capital and reserves			
Share capital	11	8,001	8,001
Retained earnings		6,651	6,675
Total equity		14,652	14,676

These financial statements were approved by the board of directors on 5 Sept 2022 and were signed on its behalf by:



D Hall
Director

Statement of changes in Equity

at 31 December 2021

	<i>Called up share capital</i>	<i>Retained Earnings</i>	<i>Total equity</i>
	<i>€000</i>	<i>€000</i>	<i>€000</i>
At 1 January 2020	<u>8,001</u>	<u>7,819</u>	<u>15,820</u>
Loss for the year	-	(1,144)	(1,144)
Total comprehensive income	-	(1,144)	(1,144)
At 31 December 2020	<u>8,001</u>	<u>6,675</u>	<u>14,676</u>
Loss for the year	-	(24)	(24)
Total comprehensive expense	-	(24)	(24)
At 31 December 2021	<u>8,001</u>	<u>6,651</u>	<u>14,652</u>

Notes to the financial statements

at 31 December 2021

1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of BSN Medical Distribution Limited (the "Company") for the year ended 31 December 2021 were authorised for issue by the board of directors on July 2022 and the balance sheet was signed on the board's behalf by David Hall. BSN Medical Distribution Limited is incorporated and domiciled in England and Wales.

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006 (the Act). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The Company's financial statements are presented in Euros and all values are rounded to the nearest thousand euros (€000) except when otherwise indicated.

The Company is a wholly owned subsidiary of BSN Medical UK Holding Limited.

The results of BSN Medical UK Holding Limited are included in the consolidated financial statements of Essity Aktiebolag (publ), which are publicly available and can be obtained from BSN medical, Willerby Hill Business Park, Willerby, Hull, HU10 6FE.

The principal accounting policies adopted by the Company are set out in note 2.

2. Accounting policies

2.1 Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2021.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of IFRS 7 Financial Instruments: Disclosures;
- (b) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- (c) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a)(iv) of IAS 1;
- (d) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- (e) the requirements of IAS 7 Statement of Cash Flows;
- (f) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;

Notes to the financial statements (continued)

at 31 December 2021

2.1 Basis of preparation (continued)

- (g) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- (h) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

2.2 Significant accounting policies

(a) Going concern

As of 31 December 2020, the Company had net assets of €14,652,000 (2020: €14,676,000) and net current assets of €14,652,000 (2020: net current assets of €14,676,000). The financial statements have been prepared on a going concern basis.

From the 1 May 2020 the company has ceased its operations having transferred all its operations to fellow group companies. The Company's financial forecasts, taking into consideration these changes, show that the Company is expected to generate sufficient positive cash flows for the Company to continue to operate for the foreseeable future. Based on these facts and the aforementioned financial position and forecast cash flows of the Company, the Directors have concluded it is appropriate for the financial statements to be prepared on a going concern basis.

(b) Foreign currency translation

The company's financial statements are presented in Euros, which is also the company's functional currency.

Transactions in foreign currencies are initially recorded in the Company's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(c) Derivative financial instruments (continued)

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments.

Notes to the financial statements (continued)

at 31 December 2021

(d) Trade and other debtors

Trade debtors, which generally have 30-90 day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision for impairment is made through profit or loss when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

(e) Cash at bank and in hand

Cash and short term deposits in the balance sheet comprise cash at banks and in hand.

(f) Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

(g) Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers, all of the company's turnover being from other group companies. Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which is usually upon dispatch of goods to the customer.

(h) Pensions

The company operates a defined contribution pension scheme named BSN medical stakeholder scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Notes to the financial statements (continued)

at 31 December 2021

3. Turnover

By geographical market

	2021 €000	2020 €000
United Kingdom	-	3,543
Rest of Europe	-	38,610
Rest of the World	-	10,538
	<u>-</u>	<u>52,691</u>

4. Other operating income

	2021 €000	2020 €000
Other operating income	<u>66</u>	<u>5,238</u>

Other operating income relates to recharges to other group companies in relation to the warehousing and back office finance services.

5. Operating profit

Operating profit is stated after charging:

	2021 €000	2020 €000
Auditors' remuneration:		
- Audit of financial statements	12	26
Impairment of tangible fixed assets	-	66
Exchange (gain)/loss	<u>28</u>	<u>203</u>

6. Other finance costs

	2021 €000	2020 €000
Interest on loans from group undertakings	<u>75</u>	<u>145</u>

Notes to the financial statements (continued)

at 31 December 2021

7. Directors' remuneration

	2021 €000	2020 €000
Directors' remuneration	-	68
Company contributions to money purchase pension schemes	-	4

The company ceased trading in 2020 and no directors remuneration applies in 2021. In the prior year 1 director was remunerated by the company up to the point trade ceased on 30 April 2020.

8. Staff costs

The aggregate payroll costs for these persons were as follows:

	2021 €000	2020 €000
Wages and salaries	-	310
Social security costs	-	27
Other pension costs (see note 12)	-	35
Other employee benefits	-	3
	-	375

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	2021 No.	2020 No.
Distribution	-	0
Administration	-	14
	-	14

Notes to the financial statements (continued)

at 31 December 2021

9. Tax

(a) Tax on profit on ordinary activities

The tax (credit)/charge is made up as follows:

	2021 €000	2020 €000
UK corporation tax		
Current tax on income for the year	-	-
Total current tax	-	-
Withholding tax incurred	-	-
Origination/reversal of timing difference	-	-
Adjustments in respect of previous periods	-	-
	-	-

(b) Factors affecting (credit)/ charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

The differences are explained below:

	2021 €000	2020 €000
Profit on ordinary activities before taxation	(24)	(1,144)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 – 19%)	5	(217)

Effects of:

Group relief transferred and not paid for	(5)	131
Non-deductible items (stock write-off)	-	86
Total tax expense / (credit) in the profit and loss account (Note 9(a))	-	-

(c) Deferred tax

No deferred taxation has been provided

(d) Factors that may affect future tax charges

The company forms part of a tax group under UK tax rules. Included in this group are BSN medical Limited and BSN medical UK Holding Limited.

Notes to the financial statements (continued)

at 31 December 2021

9. Tax (continued)

A UK corporation tax rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. The legislation to effect these changes was enacted before the balance sheet date and UK deferred tax has accordingly been calculated at 19%. After the balance sheet date, it was announced that the UK's main rate of corporation tax applicable from 1 April 2023 will increase to 25% from 19%. This change was not substantively enacted at the balance sheet date and hence the impact has not been reflected in the measurement of deferred tax balances at the year end, but it is anticipated that substantive enactment will occur later in the year.

10. Debtors: amounts falling due within one year

	2021	2020
	€000	€000
<i>Amounts falling within one year</i>		
Amounts owed by group undertakings	14,652	12,895
Other debtors	-	121
	<u>14,652</u>	<u>13,016</u>

11. Share capital

	No.	2021	No.	2020
		€000		€000
<i>Allotted, called up and fully paid</i>				
Equity: Ordinary A shares of €1 each	1,000	1	1,000	1
Ordinary A1 shares of €1 each	8,000,000	8,000	8,000,000	8,000
		<u>8,001</u>		<u>8,001</u>

12. Pensions

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to €Nil (2020 – €35,000). Contributions amounting to €Nil (2020 – €Nil) were payable to the scheme and are included in creditors at the year end.

13. Related party transactions

During the year the Company entered into transactions with other related parties. The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with fellow wholly owned subsidiaries.

Notes to the financial statements (continued)

at 31 December 2021

14. Ultimate parent undertaking and controlling party

The immediate parent undertaking is BSN medical UK Holding Limited, a company incorporated in the United Kingdom.

The ultimate parent undertaking and controlling party is Essity AB (publ), a company incorporated in Sweden.

For the year ended 31st December 2021, the largest and smallest group in which the results of the company are consolidated is that headed by Essity AB (publ). Copies of the group financial statements, which are publicly available, can be obtained from BSN medical, Willerby Hill Business Park, Willerby, Hull, HU10 6FE.