

Registered number: 10442778

**ICU UK Medical Limited**

**Directors' report and financial statements  
for the year ended 31 December 2020**



# **ICU UK Medical Limited**

## **Company information**

### **Directors**

B M Bonnell  
R De Ridder  
C De Rooij

### **Registered number**

10442778

### **Registered office**

100 New Bridge Street  
London  
EC4V 6JA

### **Independent auditor**

Mazars LLP  
45 Church Street  
Birmingham  
B3 2RT

# **ICU UK Medical Limited**

## **Contents**

	<b>Page(s)</b>
<b>Directors' report</b>	<b>1 - 3</b>
<b>Independent auditor's report to the members of ICU UK Medical Limited</b>	<b>4 - 7</b>
<b>Profit and loss account</b>	<b>8</b>
<b>Balance sheet</b>	<b>9</b>
<b>Statement of changes in equity</b>	<b>10</b>
<b>Notes to the financial statements</b>	<b>11 - 24</b>

# **ICU UK Medical Limited**

## **Directors' report for the year ended 31 December 2020**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2020.

The principal activity of the company is the manufacture of medical and dental supplies and instruments. The company is a private company limited by shares and incorporated in England. The address of the registered office is 100 New Bridge Street, London, United Kingdom, EC4V 6JA.

### **Results and dividends**

The profit for the year, after taxation, amounted to £178,529 (2019: £90,933).

The directors do not recommend the payment of a dividend (2019: £Nil).

### **Directors**

The directors who held office during the year and up to the date of the signing of the financial statements were:

B M Bonnell (appointed 1 February 2020)  
R De Ridder  
C De Rooij  
S Lamb (resigned 1 February 2020)

### **Going concern**

The operations and business activities of the company have been impacted by the COVID-19 outbreak, however during the year 2020 and the following period no employees have been furloughed and we have used no UK government funds.

In addition, at the time of approving the financial statements, the directors have support that the immediate parent undertaking, ICU Medical BV, will provide adequate financial support if needed to allow the company to continue in operational existence for the foreseeable future. Therefore the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

### **Effect of the Withdrawal of the United Kingdom from the European Union**

The UK left the EU on 31 January 2020 and the transition period ended on 31 December 2020, in which time the UK and EU negotiated additional arrangements and concluded the "Trade and Cooperation Agreement". The directors have considered the changes regarding the agreed exit terms within the agreement and wider regulatory and legal implications within these statutory financial statements and they do not anticipate that it will have any material impact on the business of the company.

## **ICU UK Medical Limited**

### **Directors' report (continued) for the year ended 31 December 2020**

#### **Directors' responsibilities statement**

The directors are responsible for preparing 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 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 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; 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 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.

#### **Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

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

#### **Independent auditor**

In accordance with section 487 of the Companies Act 2006, Mazars LLP will be deemed to have been reappointed and will therefore continue in office.

## **ICU UK Medical Limited**

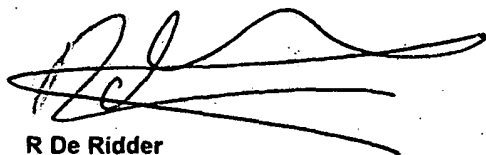
### **Directors' report (continued) for the year ended 31 December 2020**

#### **Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

The directors have also taken advantage of the small companies exemption provided by section 414B of the Companies Act 2006 and not prepared a Strategic report.

This report was approved by the board on 01-06 - 2021 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'R De Ridder', written over a horizontal line.

**R De Ridder  
Director**

## **ICU UK Medical Limited**

### **Independent auditors' report to the members of ICU UK Medical Limited**

#### **Opinion**

We have audited the financial statements of ICU UK Medical Limited (the 'company') for the year ended 31 December 2020 which comprise Profit and loss account, the Balance sheet, the Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 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 a period of at least twelve months from when the financial statements are authorised for issue.

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

## **ICU UK Medical Limited**

### **Independent auditors' report to the members of ICU UK Medical Limited (continued)**

#### **Other information**

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

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 this regard.

#### **Opinion 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.

#### **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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.



## **ICU UK Medical Limited**

### **Independent auditors' report to the members of ICU UK Medical Limited (continued)**

#### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement on page 2, 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 the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the tax legislation, pensions legislation, employment regulation and health and safety regulation and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

## **ICU UK Medical Limited**

### **Independent auditors' report to the members of ICU UK Medical Limited (continued)**

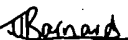
#### **Auditor's responsibilities for the audit of the financial statements (continued)**

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://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 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 for our audit work, for this report, or for the opinions we have formed.

  
Jon Barnard (Jun 3, 2021 16:42 GMT+1)

**Jonathan Barnard (Senior statutory auditor)**

for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
First Floor  
Two Chamberlain Square  
Birmingham  
B3 3AX  
Date: 3 June 2021

## ICU UK Medical Limited

### Profit and loss account for the year ended 31 December 2020

	Note	2020 £	2019 £
Turnover	5	9,295,959	7,982,299
Cost of sales		(5,535,277)	(4,032,282)
<b>Gross profit</b>		<b>3,760,682</b>	<b>3,950,017</b>
Administrative expenses		(3,481,803)	(3,720,114)
<b>Operating profit</b>	6	<b>278,879</b>	<b>229,903</b>
Tax on profit	9	(100,350)	(138,970)
<b>Profit for the financial year</b>		<b>178,529</b>	<b>90,933</b>

There were no recognised gains and losses for 2020 or 2019 other than those included in the profit and loss account.

The notes on pages 11 to 24 form part of these financial statements.

**ICU UK Medical Limited**

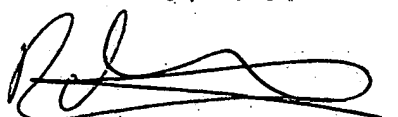
Registered number: 10442778

**Balance sheet  
as at 31 December 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	10	226,664	435,891
Tangible assets	11	561,037	696,870
		<u>787,701</u>	<u>1,132,761</u>
<b>Current assets</b>			
Stocks	12	592,797	704,037
Debtors: amounts falling due within one year	13	1,457,535	2,037,941
Cash at bank and in hand		798,620	699,736
		<u>2,848,952</u>	<u>3,441,714</u>
Creditors: amounts falling due within one year	14	(3,053,705)	(4,149,581)
<b>Net current liabilities</b>		<u>(204,753)</u>	<u>(707,867)</u>
<b>Total assets less current liabilities</b>		<u>582,948</u>	<u>424,894</u>
<b>Provisions for liabilities</b>			
Deferred tax	15	(106,567)	(127,042)
<b>Net assets</b>		<u>476,381</u>	<u>297,852</u>
<b>Capital and reserves</b>			
Called up share capital	16	1	1
Capital contribution reserve	17	160,662	160,662
Profit and loss account	17	315,718	137,189
<b>Total equity</b>		<u>476,381</u>	<u>297,852</u>

The notes on pages 10 to 24 form part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 01-06-2021 and were signed on its behalf by:



R De Ridder  
Director

## ICU UK Medical Limited

### Statement of changes in equity for the year ended 31 December 2020

	Called up share capital	Capital contribution reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2020	1	160,662	137,189	297,852
<b>Comprehensive income for the year</b>				
Profit for the financial year	-	-	178,529	178,529
<b>At 31 December 2020</b>	<b>1</b>	<b>160,662</b>	<b>315,718</b>	<b>476,381</b>

### Statement of changes in equity for the period ended 31 December 2019

	Called up share capital	Capital contribution reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2019	1	160,662	46,256	206,919
<b>Comprehensive income for the year</b>				
Profit for the financial year	-	-	90,933	90,933
<b>At 31 December 2019</b>	<b>1</b>	<b>160,662</b>	<b>137,189</b>	<b>297,852</b>

The notes on pages 11 to 24 form part of these financial statements.

# **ICU UK Medical Limited**

## **Notes to the financial statements for the year ended 31 December 2020**

### **1. General information**

The principal activity of the company is the manufacture of medical and dental supplies and instruments. The company is a private company limited by shares and incorporated in England. The registered number of the company is 10442778. The address of the registered office is 100 New Bridge Street, London, United Kingdom, EC4V 6JA.

### **2. Statement of compliance**

The individual financial statements of ICU UK Medical Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ("FRS 102") and the Companies Act 2006.

### **3. Summary of significant accounting policies**

#### **3.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 4).

The following principal accounting policies have been applied:

#### **3.2 Exemptions for qualifying entities under FRS102**

FRS 102 allows a qualifying entity certain disclosure exemptions. These exemptions are:

- the requirement to prepare a statement of cash flow;
- certain financial instrument disclosures; and
- the non-disclosure of key management personnel compensation

The company has taken advantage of these exemptions on the basis that it is a qualifying entity and its ultimate parent undertaking ICU Medical INC, includes the company's results in the equivalent disclosures in its own consolidated financial statements.

#### **3.3 Going concern**

The operations and business activities of the company have been impacted by the COVID-19 outbreak, however during the year 2020 and the following period no employees have been furloughed and we have used no UK government funds.

In addition, at the time of approving the financial statements, the directors have support that the immediate parent undertaking, ICU Medical BV, will provide adequate financial support if needed to allow the company to continue in operational existence for the foreseeable future. Therefore the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

## **ICU UK Medical Limited**

### **Notes to the financial statements for the year ended 31 December 2020**

#### **3. Summary of significant accounting policies (continued)**

##### **3.4 Foreign currency translation**

###### **(i) Functional and presentation currency**

The company's functional and presentational currency is Pound Sterling.

###### **(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

##### **3.5 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

##### **3.6 Employee benefits**

###### **Defined contribution pension plan**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

###### **Short term benefits**

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

##### **3.7 Operating leases: the company as a lessee**

Rentals paid under operating leases are charged to the profit and loss account.

## ICU UK Medical Limited

### Notes to the financial statements for the year ended 31 December 2020

#### 3. Summary of significant accounting policies (continued)

##### 3.8 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

##### 3.9 Taxation

The tax expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

###### (i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the period. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

###### (ii) Deferred tax

Deferred tax arises from timing differences that have been enacted or substantively enacted by the period end and that are expected to apply to the timing differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.



## ICU UK Medical Limited

### Notes to the financial statements for the year ended 31 December 2020

#### 3. Summary of significant accounting policies (continued)

##### 3.10 Intangible assets

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities and amortised to the profit and loss account over its estimated economic life.

Other intangible assets relating to purchased customer contracts, are recorded at fair value at the date of acquisition. Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful life of the asset from the date it is available for use.

The estimated useful life of other intangible assets are as follows:

- Customer contracts - 5 years

##### 3.11 Tangible assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	- 3 years straight-line method
Plant and machinery	- 7 years straight-line method

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

##### 3.12 Impairment of non-financial assets

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to dispose and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

##### 3.13 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit and loss account.

## ICU UK Medical Limited

### Notes to the financial statements for the year ended 31 December 2020

#### 3. Summary of significant accounting policies (continued)

##### 3.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 3.15 Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

###### (i) Financial assets

Basic financial assets, including trade debtors and amounts owed by group undertakings, are initially recognised at transaction price.

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

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

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

###### (ii) Financial liabilities

Basic financial liabilities, including trade creditors, amounts owed to group undertakings, other taxation and social security, other creditors and accruals are initially recognised at transaction price.

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

###### (iii) Offsetting

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

## **ICU UK Medical Limited**

### **Notes to the financial statements for the year ended 31 December 2020**

#### **3. Summary of significant accounting policies (continued)**

##### **3.16 Called up share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

##### **3.17 Related party transactions**

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

# ICU UK Medical Limited

## Notes to the financial statements for the year ended 31 December 2020

### 4. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### (i) Stock

Stock is valued at the lower of cost and net realisable value. This includes any provision for slow moving or obsolete stock. Calculation of such provisions requires judgments to be made on various aspects of stock based on forecasts and historical trading.

The cost of work in progress and closing stock is measured using the standard costing technique. This takes into account normal levels of raw materials, yields, labour, and where applicable, packaging and distribution costs. They are regularly reviewed in light of current conditions which requires judgments and estimations to be made. See note 12 for the net carrying amount of stock and the associated provision.

#### (ii) Taxation

Determining income tax provisions involves judgments on the tax treatment of certain transactions. Deferred tax is recognised on tax losses not yet used on temporary differences where it is probable that there will be taxable income against which these can be offset.

#### (iii) Impairment review of intangible assets - Customer contracts

For intangible assets with a finite life, management are required to undertake an impairment review if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of uncertain matters including management's expectations of:

- the timing and quantum of future revenue generated under acquired contracts; and
- the selection of an appropriate discount rate.

Changes to these assumptions can significantly affect the company's impairment evaluation and hence results.

## ICU UK Medical Limited

### Notes to the financial statements for the year ended 31 December 2020

#### 5. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Sale of goods	<u>9,295,959</u>	<u>7,982,299</u>
	2020 £	2019 £
United Kingdom	9,295,689	7,615,275
Europe	270	240,309
India	-	126,715
	<u>9,295,959</u>	<u>7,982,299</u>

#### 6. Operating profit

The operating profit is stated after charging/(crediting):

	2020 £	2019 £
Research & development charged as an expense	-	6,821
Depreciation of tangible assets	163,113	89,365
Amortisation of intangible assets	209,227	209,229
Fees payable to the company's auditor for the audit of the company's annual financial statements	15,350	14,900
Exchange differences	211,957	(147,930)
Other operating lease rentals	<u>67,531</u>	<u>225,186</u>

## ICU UK Medical Limited

### Notes to the financial statements for the year ended 31 December 2020

#### 7. Employees

Staff costs, including directors remuneration, were as follows:

	2020 £	2019 £
Wages and salaries	1,938,872	2,072,215
Social security costs	225,046	264,372
Other pension costs	81,390	97,727
	<u>2,245,308</u>	<u>2,434,314</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Sales and marketing	18	17
Administration	4	5
Manufacturing	-	4
IT	1	-
Finance	2	-
	<u>25</u>	<u>26</u>

#### 8. Directors' remuneration

During the year, the directors were remunerated for their services to the group as a whole, which are disclosed in the financial statements of other group companies. The director do not consider it practical to apportion remuneration based on the services performed for individual undertakings within the group.

## ICU UK Medical Limited

### Notes to the financial statements for the year ended 31 December 2020

#### 9. Taxation

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	120,767	6,769
Adjustment in respect of previous periods	58	65,651
<b>Total current tax</b>	<b>120,825</b>	<b>72,420</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(35,422)	74,379
Arising from changes to tax rates	14,947	(7,829)
<b>Total deferred tax</b>	<b>(20,475)</b>	<b>66,550</b>
<b>Taxation on profit on ordinary activities</b>	<b>100,350</b>	<b>138,970</b>

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	278,879	229,903
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	52,987	43,682
<b>Effects of:</b>		
Expenses not deductible	32,358	37,466
Tax rate change	14,947	(7,829)
Adjustment in respect of previous period	58	65,651
<b>Total tax charge for the year</b>	<b>100,350</b>	<b>138,970</b>

## ICU UK Medical Limited

### Notes to the financial statements for the year ended 31 December 2020

#### 9. Taxation (continued)

##### Factors that may affect future tax charges

A change to the UK corporation tax rule was announced in the Chancellor's Budget on 3 March 2021. It was announced the corporation tax rate will increase to 25% by April 2023.

As this change in UK corporation tax rate had not been substantively enacted at the balance sheet date its effects are not included in these financial statements.

#### 10. Intangible assets

	Customer contracts £	Goodwill £	Total £
<b>Cost</b>			
At 1 January 2020	240,987	805,154	1,046,141
At 31 December 2020	240,987	805,154	1,046,141
<b>Amortisation</b>			
At 1 January 2020	140,576	469,674	610,250
Charge for the year	48,197	161,030	209,227
At 31 December 2020	188,773	630,704	819,477
<b>Net book value</b>			
At 31 December 2020	52,214	174,450	226,664
At 31 December 2019	100,411	335,480	435,891

Amortisation of intangible fixed assets is included in administrative expenses.



# ICU UK Medical Limited

## Notes to the financial statements for the year ended 31 December 2020

### 11. Tangible assets

	Plant and machinery £	Computer equipment £	Total £
<b>Cost</b>			
At 1 January 2020	770,482	123,437	893,919
Additions	27,280	-	27,280
At 31 December 2020	797,762	123,437	921,199
<b>Depreciation</b>			
At 1 January 2020	151,013	46,036	197,049
Charge for the year	124,802	38,311	163,113
At 31 December 2020	275,815	84,347	360,162
<b>Net book value</b>			
At 31 December 2020	521,947	39,090	561,037
At 31 December 2019	619,469	77,401	696,870

### 12. Stocks

	2020 £	2019 £
Finished goods and goods for resale	592,797	704,037

Stock recognised in cost of sales during the year as an expense was £5,341,582 (2019: £3,505,398).

### 13. Debtors

	2020 £	2019 £
Trade debtors	1,035,093	1,296,549
Amounts owed by group undertakings	374,410	618,134
Other debtors	32,126	28,236
Prepayments and accrued income	15,906	32,397
Tax recoverable	-	62,625
	1,457,535	2,037,941

# ICU UK Medical Limited

## Notes to the financial statements for the year ended 31 December 2020

### 13. Debtors (continued)

Trade debtors are stated after provisions for impairment of £5,520 (2019: £22,199)

### 14. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	1,206	64,615
Amounts owed to group undertakings	2,434,112	3,681,556
Corporation tax	103,417	-
Other taxation and social security	170,635	90,041
Accruals and deferred income	344,335	313,369
	<u>3,053,705</u>	<u>4,149,581</u>

### 15. Deferred tax

	2020 £	2019 £
At beginning of year	(127,042)	(60,492)
Charged to the profit and loss account	20,475	(66,550)
At end of year	<u>(106,567)</u>	<u>(127,042)</u>

The deferred tax balance is made up as follows:

	2020 £	2019 £
Fixed asset timing differences	(115,831)	(134,789)
Short term timing differences - trading	9,264	7,747
	<u>(106,567)</u>	<u>(127,042)</u>

# ICU UK Medical Limited

## Notes to the financial statements for the year ended 31 December 2020

### 16. Share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
1 ordinary share of £1	<u>1</u>	<u>1</u>

### 17. Reserves

#### (i) Called-up shared capital

Represents the nominal value of shares that have been issued.

#### (ii) Capital contribution reserve

Represents funds provided by ICU Medical Inc.

#### (iii) Profit and loss account

Includes all current and prior period retained profits and losses.

### 18. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £81,390 (2019: £97,727).

At 31 December 2020 contributions amounting to £12,348 (2019: £13,742) were payable to the fund and are included in creditors.

### 19. Commitments under operating leases

At 31 December the company had future minimum lease payments due under non-cancelable operating leases for each of the following periods:

	2020 £	2019 £
Within 1 year	67,531	209,784
Between 2 and 5 years	60,069	127,600
	<u>127,600</u>	<u>337,384</u>

### 20. Controlling party

The company's immediate parent undertaking is ICU Medical BV.

ICU Medical INC, registered and listed in the United States (registered office 951 Calle Amanecer, San Clemente, CA, 92673), is the company's ultimate parent undertaking, controlling party and the smallest and largest group to consolidate these financial statements. Copies of the consolidated financial statements can be obtained from the company's website at <https://ir.icumed.com>.