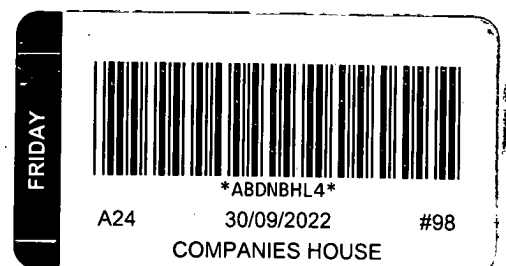


Company Registration No. 1146741 (England and Wales)

**SMITH & NEPHEW USD LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**



# SMITH & NEPHEW USD LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	T.J. Allison	(Resigned 26 March 2021)
	I.C. Melling	(Resigned 6 June 2022)
	V.A. Reuben	(Resigned 1 October 2021)
	S.M. Swabey	(Resigned 1 April 2022)
	H. Barraclough	(Appointed 1 April 2022)
	J.S. Braunhofer	(Appointed 26 March 2021)
	R.S. Gataora	(Appointed 1 October 2021)

**Company number** 1146741

**Registered office** Building 5  
Croxley Park  
Hatters Lane  
Watford  
Hertfordshire  
WD18 8YE

**Auditor** KPMG LLP  
15 Canada Square  
London  
United Kingdom  
E14 5GL

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# **SMITH & NEPHEW USD LIMITED**

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# SMITH & NEPHEW USD LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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The Directors present the strategic report and financial statements for Smith & Nephew USD Limited (the "Company") for the year ended 31 December 2021.

### Review of the business

The principal activity of the Company continues to be that of an investment holding company for the overseas subsidiary undertakings of the Smith+Nephew Group. The Company has a branch in Saudi Arabia.

The operating profit for the year amounted to \$6,887,000 (2020: operating loss of \$3,143,000). The profit for the year after taxation amounted to \$359,715,000 (2020: \$289,952,000).

### Principal risks and uncertainties

The principal risks facing the Company are a decrease in the recoverable value of investments in subsidiary undertakings to below carrying value, which would occur if there was a decline in the performance of the underlying subsidiaries or if exchange rates adversely affected the values of investments held in overseas entities. A foreign exchange hedging programme is in place to mitigate the risk of exchange rate volatility.

### Going concern

The Company has received a letter of support from its parent company, Smith & Nephew plc, indicating that it will receive the financial and other support necessary for the Company to operate and meet its liabilities as and when they become due for a period of at least twelve months from the date of signing of these financial statements.

After making due enquiries and considering the support available from the parent company described above, the Directors have a reasonable expectation that the Company has adequate resources to continue in operation for at least twelve months from the date of the signing of these financial statements. These considerations included the Smith & Nephew group's directors' assessment of going concern (as set out the Annual Report and Accounts 2021 and available at <https://www.smith-nephew.com/annual-report-2021/>). Accordingly, the financial statements have been prepared on the going concern basis.

On behalf of the Board



.....  
H. Barraclough

**Director**

Building 5  
Croxley Park  
Hatters Lane  
Watford  
Hertfordshire  
WD18 8YE

Date: 28 September 2022  
.....

# SMITH & NEPHEW USD LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The Directors present the Directors' report and financial statements for the year ended 31 December 2021.

#### Principal activities

The principal activity of the Company continues to be that of an investment holding company for the overseas subsidiary undertakings of the Smith+Nephew Group (the "Group"). As a holding company, the Directors do not consider it necessary to disclose key performance indicators.

The Company has a branch in Saudi Arabia.

#### Results and dividends

The results for the year are set out on page 8.

The profit for the year after taxation amounted to \$359,715,000 (2020: \$289,952,000). The Directors did not pay an interim dividend for the year ended 31 December 2021 (2020: \$nil) and do not recommend the payment of a final dividend (2020: \$nil).

#### Directors

The Directors, who served throughout the year and to the date of this report except as noted, were as follows:

T.J. Allison	(Resigned 26 March 2021)
I.C. Melling	(Resigned 6 June 2022)
V.A. Reuben	(Resigned 1 October 2021)
S.M. Swabey	(Resigned 1 April 2022)
H. Barraclough	(Appointed 1 April 2022)
J.S. Braunhofer	(Appointed 26 March 2021)
R.S. Gataora	(Appointed 1 October 2021)

#### Indemnity

The Company's ultimate parent company, Smith & Nephew plc, has made qualifying third party indemnity provision for the benefit of the Company's Directors which were in place throughout the year and which remain in place at the date of approval of this report.

#### Political donations

No political donations were made during the year (2020: \$nil).

#### Financial instruments

##### Foreign currency risk

The Company's investment activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The Company uses foreign exchange forward contracts and term loans to hedge these exposures where possible.

#### Future developments

Notwithstanding the risks and uncertainties outlined below, the Directors do not anticipate any significant changes in the activities and results of the Company. The Company continues to look for new investment opportunities and monitor its current investments.

#### Risks and uncertainties

The principal risks facing the Company are a decrease in the recoverable value of its investments, which would occur if there was a decline in the performance of the underlying subsidiaries.

# SMITH & NEPHEW USD LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### Going Concern

The Company is in a net current liability position due to amounts owing to its ultimate parent company. Notwithstanding these net current liabilities of \$2,217,379,000 as at 31 December 2021 and the current economic uncertainties, the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons:

The Company's going concern is dependent on the Company's ultimate parent company, Smith & Nephew plc not seeking repayment of the amounts currently due from the Company, which at 31 December 2021 amounted to \$2,206,820,000. Smith & Nephew plc has indicated that it does not intend to seek repayment of these amounts for a period of twelve months from the date of approval of the financial statements.

Smith & Nephew plc has also indicated its intention to continue to make available funds as needed by the Company for a period of twelve months from the date of approval of the financial statements. Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

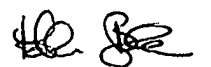
### Auditor

Pursuant to section 487 of the Companies Act 2006, the Auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

### Statement of disclosure to Auditor

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

On behalf of the Board



H. Barraclough

**Director**

Building 5  
Croxley Park  
Hatters Lane  
Watford  
Hertfordshire  
WD18 8YE

Date: 28 September 2022

Company Registration No. 1146741

# SMITH & NEPHEW USD LIMITED

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **Statement of Directors' responsibilities**

The Directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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

- select suitable accounting policies and then apply them consistently;
- make judgements 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SMITH & NEPHEW USD LIMITED

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#### Opinion

We have audited the financial statements of Smith & Nephew USD Limited ("the Company") for the year ended 31 December 2021 which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

#### Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

#### Fraud and breaches of laws and regulations – ability to detect

##### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors and inspection of policy documentation as to the Smith & Nephew plc's group policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no external revenue transactions. We did not identify any additional fraud risks.



## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF SMITH & NEPHEW USD LIMITED**

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#### ***Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations***

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

#### ***Context of the ability of the audit to detect fraud or breaches of law or regulation***

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

#### **Strategic report and Directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF SMITH & NEPHEW USD LIMITED**

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#### **Directors' responsibilities**

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

#### **The purpose of our audit work and to whom we owe our responsibilities**

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.



#### **Zulfikar Walji (Senior Statutory Auditor)**

for and on behalf of KPMG LLP, Statutory Auditor

*Chartered Accountants*

15 Canada Square

London

United Kingdom

E14 5GL

Date: 28 September 2022

# SMITH & NEPHEW USD LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 \$000	2020 \$000
Operating income		9,578	13,920
Administrative expenses		(2,691)	(17,063)
<b>Operating profit/(loss)</b>	<b>2</b>	<b>6,887</b>	<b>(3,143)</b>
Income from subsidiary undertakings		313,630	704,117
Income from associate		56,824	-
Interest payable and similar expenses	<b>5</b>	(17,077)	(58,000)
Impairment of investments	<b>6</b>	(515)	(352,951)
<b>Profit before taxation</b>		<b>359,749</b>	<b>290,023</b>
Income tax expense	<b>7</b>	(34)	(71)
<b>Profit after taxation</b>	<b>15</b>	<b>359,715</b>	<b>289,952</b>

The accompanying notes on pages 13 - 30 form part of the financial statements.

# SMITH & NEPHEW USD LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

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	2021 \$000	2020 \$000
Profit for the year	359,715	289,952
Total other comprehensive loss for the year	-	-
Total comprehensive income for the year	359,715	289,952

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The accompanying notes on pages 13 - 30 form part of the financial statements.

# SMITH & NEPHEW USD LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 \$000	2020 \$000
<b>Fixed assets</b>			
Tangible fixed assets	8	1,408	1,583
Investments in subsidiaries	9	13,077,450	12,956,193
Investment in associated undertaking	9	148,716	-
		<u>13,227,574</u>	<u>12,957,776</u>
<b>Current assets</b>			
Debtors (including \$nil (2020: \$8,289,000) due after more than one year)	10	3,574	42,056
Cash at bank and in hand		1,086	1,453
		<u>4,660</u>	<u>43,509</u>
<b>Creditors: amounts falling due within one year</b>			
Trade creditors and other payables	12	2,221,623	2,327,965
Current tax		8	-
Lease liabilities		408	366
		<u>2,222,039</u>	<u>2,328,331</u>
<b>Net current liabilities</b>		<u>(2,217,379)</u>	<u>(2,284,822)</u>
<b>Total assets less current liabilities</b>		<u>11,010,195</u>	<u>10,672,954</u>
<b>Creditors: amounts falling due after more than one year</b>			
Loans and overdrafts	11	113,482	122,834
Trade creditors and other payables	12	7,488	20,400
Lease liabilities		805	1,015
		<u>121,775</u>	<u>144,249</u>
<b>Net assets</b>		<u>10,888,420</u>	<u>10,528,705</u>
<b>Capital and reserves</b>			
Called up share capital	13	728,347	728,347
Share premium account	14	2,369,940	2,369,940
Revaluation reserve		96,703	96,703
Profit and loss account	15	7,693,430	7,333,715
<b>Total equity</b>		<u>10,888,420</u>	<u>10,528,705</u>

# **SMITH & NEPHEW USD LIMITED**

## **BALANCE SHEET (CONTINUED)**

**AS AT 31 DECEMBER 2021**

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The financial statements were approved by the Board of Directors and authorised for issue on 28 September 2022  
Signed on its behalf by:



H. Barraclough

**Director**

**Company Registration No. 1146741**

The accompanying notes on pages 13 - 30 form part of the financial statements.

# SMITH & NEPHEW USD LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Share premium account	Revaluation reserve	Hedging reserve	Retained earnings	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 January 2020	728,347	2,369,940	96,703	(536)	7,043,763	10,238,217
Profit for the year	-	-	-	-	289,952	289,952
Total comprehensive income for the year	-	-	-	-	289,952	289,952
Amounts reclassified to profit or loss	-	-	-	536	-	536
Balance at 31 December 2020	728,347	2,369,940	96,703	-	7,333,715	10,528,705
Profit for the year	-	-	-	-	359,715	359,715
Total comprehensive income for the year	-	-	-	-	359,715	359,715
Balance at 31 December 2021	728,347	2,369,940	96,703	-	7,693,430	10,888,420

The accompanying notes on pages 13 - 30 form part of the financial statements.

# SMITH & NEPHEW USD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

---

### 1 Accounting policies

Smith & Nephew USD Limited (the "Company") is a private company limited by shares. The Company is incorporated, domiciled and registered in England in the United Kingdom. The registered number is 1146741 and the registered address is Building 5, Croxley Park, Hatters Lane, Watford, Hertfordshire, WD18 8YE. The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare Group financial statements. These financial statements present information about the Company as an individual undertaking and not about its Group.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards (IFRS) adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

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

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- 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, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment (iii) paragraph 118 (e) of IAS 38 Intangibles Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements of paragraph 58 of IFRS 16 Leases;
- 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; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

The financial statements are prepared in US dollars, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest \$1,000.

Where required, equivalent disclosures are given in the Group accounts of Smith & Nephew plc. The Group accounts of Smith & Nephew plc are available to the public and can be obtained at Building 5, Croxley Park, Hatters Lane, Watford, Hertfordshire, WD18 8YE or online via [www.smith-nephew.com](http://www.smith-nephew.com).

#### *i) Adopted IFRS not yet applied*

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Company has not early adopted them in preparing these consolidated financial statements. These are not expected to have a significant impact on adoption.



# SMITH & NEPHEW USD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

---

#### 1 Accounting policies

(Continued)

##### 1.2 Going concern

At the time of approving the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The Company is in a net current liability position due to amounts owing to its ultimate parent company. Notwithstanding these net current liabilities of \$2,217,379,000 as at 31 December 2021 and current economic uncertainties, the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons:

The Company's going concern is dependent on the Company's ultimate parent company, Smith & Nephew plc not seeking repayment of the amounts currently due from the Company, which at 31 December 2021 amounted to \$2,206,820,000. Smith & Nephew plc has indicated that it does not intend to seek repayment of these amounts for a period of at least twelve months from the date of signing of these financial statements.

Smith & Nephew plc has also indicated its intention to continue to make available funds as needed by the Company for a period of at least twelve months from the date of signing of these financial statements.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements.

As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

##### 1.3 Investment income

Investment income is measured at the fair value of the consideration received or receivable. Income from subsidiary undertakings represents dividend income which is recognised when the right to receive payment is established. Income from associate represents any gain/loss on disposal of interest as well as the Company's share of the associate's profit or loss which is calculated after deduction of the respective taxes.

##### 1.4 Investments in subsidiaries

Investments in subsidiaries are recorded at their cost less any accumulated impairment in value.

##### 1.5 Investments in and income from associate

Investments in associates, being those entities over which the Company has a significant influence and which is neither a subsidiary nor a joint venture, are accounted for using the equity method, with the Company recording its share of the associates' profit and loss and other comprehensive income. The Company's share of associates' profit or loss is included in one separate income statement line and is calculated after deduction of their respective taxes.

# SMITH & NEPHEW USD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

(Continued)

##### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost and, except for freehold land, are depreciated over their useful economic lives. Freehold and long-leasehold buildings are depreciated on a straight-line basis at between 2% and 5% per annum. Short-leasehold land and buildings (leases of under 50 years) are depreciated by equal annual instalments over the term of the lease. Plant, equipment and vehicles are depreciated over lives ranging between 3 and 20 years by equal annual instalments to write down the assets to their estimated disposal value at the end of their working lives.

The useful lives and residual values of all property, plant and equipment are reviewed each financial year end, and where adjustments are required these are made prospectively.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset at date of disposal, and is recognised in the profit and loss account.

##### 1.7 Impairment of investments, tangible and intangible assets

At each reporting end date, the Company reviews the carrying amounts of its investments, tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

##### 1.8 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Company is exempt under FRS 101 from the disclosure requirements of IFRS 13.

##### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# SMITH & NEPHEW USD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

(Continued)

##### 1.10 Financial assets

Financial assets are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss (FVTPL), which are measured at fair value.

##### **Loans and receivables**

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term (under 12 months) receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

##### **Impairment of financial assets**

Financial assets carried at amortised cost and FVOCI are assessed for indicators of impairment at each reporting end date.

The expected credit losses associated with these assets are estimated on a forward-looking basis. A broad range of information is considered when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

##### 1.11 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

##### **Other financial liabilities**

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the Company's obligations are discharged, cancelled, or they expire.

# SMITH & NEPHEW USD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### 1.12 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

#### 1.13 Taxation

The tax expense for the year comprises current tax.

##### **Current tax**

The current income tax expense is based on taxable profits of the period, after any adjustments for prior periods and overseas tax suffered. It is calculated using taxation rates enacted or substantively enacted by the Balance Sheet date and is measured at the amount expected to be recovered or paid.

##### **Deferred tax**

Deferred tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid, using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

#### 1.14 IFRS 16 Leases

The assessment of whether a contract is or contains a lease takes place at the inception of the contract. The assessment involves whether the Company obtains substantially all the economic benefits from the use of that asset and whether the Company has the right to direct the use of the asset. The Company allocates the consideration in the contract to each lease and non-lease component. The non-lease component, where it is separately identifiable, is not included in the right-of-use asset.

The Company leases many assets including properties, motor vehicles and office equipment. The Company availed itself of the exemptions for short-term leases and leases of low-value items for leases other than those for properties and motor vehicles. The use of these exemptions does not have a material impact.

The Company recognises a right-of-use asset and a lease liability at the commencement of the lease. The right-of-use asset is initially measured based on the present value of lease payments that are not paid at the commencement date plus initial direct costs less any incentives received. The lease payments are discounted using an incremental borrowing rate which is country-specific and reflective of the lease term. The right-of-use asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The right-of-use asset is subject to impairment testing if there is an impairment indicator. The right-of-use assets are included in the balance sheet heading 'Tangible fixed assets'.

The lease liability is initially measured at the present value of lease payments, as outlined above, and is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or as appropriate, changes in the assessment of whether an extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. The lease liabilities are included in the balance sheet headings 'Obligations under finance leases'.

#### 1.15 Foreign exchange

Transactions in currencies other than in the Company's functional currency are initially recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities dominated in currencies other than the Company's functional currency are translated at the rate of exchange ruling at the balance sheet date with exchange differences recognised in the profit or loss account, except those relating to hedging. Where assets and liabilities denominated in foreign currencies are used to finance or hedge foreign equity investments, the difference on translation of these assets and liabilities is offset as an adjustment to reserves to the extent that it is matched by a corresponding movement in the investment.

# SMITH & NEPHEW USD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 1 Accounting policies

(Continued)

##### 1.16 Significant judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

##### **Impairment of non-financial assets**

Where there are indicators of impairment of investments in subsidiaries and associates which indicate that the carrying value may not be recoverable, the Company performs impairment tests on these investments based on the fair value by comparing the carrying value with its recoverable amount being the higher of its fair value less costs to sell and its value in use.

#### 2 Profit for the year

	Note	2021 \$000	2020 \$000
Profit for the year is stated after charging/(crediting):			
Net foreign exchange (gains)/losses		(892)	1,631
Depreciation of property, plant and equipment	8	390	711
Loss on disposal of property, plant and equipment		-	650
Loss on disposal of fixed asset investment		-	383
Staff costs	4	7,370	10,345
Impairment of investments	9	515	352,951

#### 3 Auditor's remuneration

	2021 \$000	2020 \$000
Fees payable to the Company's auditor:		
<b>For audit services</b>		
Audit of the Company's financial statements	24	24

Audit fees were borne by a fellow Group company.

# SMITH & NEPHEW USD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 4 Employees

Average number of employees	76	95
Their aggregate remuneration comprised:		
<b>Employment costs</b>	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
Wages, salaries and social security costs	6,325	7,869
Share based payments	-	142
Other staff costs	1,045	2,334
	<u>7,370</u>	<u>10,345</u>

The Directors of Smith & Nephew USD Limited are remunerated for the provision of services provided for the consolidated Smith+Nephew Group, and not specifically in their capacity as Directors of this Company. The aggregate remuneration of Directors specific to qualifying activities performed solely in relation to their appointment for Smith & Nephew USD Limited is immaterial.

### 5 Finance costs

	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
<b>Interest on financial liabilities measured at amortised cost:</b>		
Lease liabilities	30	34
Dividends on redeemable preference shares not classified as equity	-	12,414
Interest payable to parent undertaking	17,019	30,946
Interest payable to group undertakings	-	15,139
	<u>17,049</u>	<u>58,533</u>
<b>Other finance costs:</b>		
Unwinding of discount on provisions	28	(533)
Total finance costs	<u>17,077</u>	<u>58,000</u>

### 6 Impairment of investments

	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
Impairment	<u>515</u>	<u>352,951</u>

The charge in 2021 represents an impairment of the Company's investment in TEAMfund, LP. The prior year charge represented a \$332.3m impairment taken following an internal restructuring. The remainder of the charge related to impairment of the Company's investments in Smith ve Nephew Medikal Cihazlar Ticaret Limited Sirketi, Smith & Nephew Healthcare Private Limited and TEAMfund, LP.

# SMITH & NEPHEW USD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 7 Income tax expense

	2021 \$000	2020 \$000
<b>Current tax</b>		
Current year taxation	5	71
Adjustments in respect of prior periods	29	-
	<u>34</u>	<u>71</u>
Tax charge for the year		

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2021 \$000	2020 \$000
Profit before taxation	359,749	290,023
Expected tax charge based on a corporation tax rate of 19.00% (2020: 19.00%)	68,352	55,104
Expenses not deductible	254	70,150
Income not taxable	(71,864)	(133,902)
Adjustments in respect of prior periods	29	-
Deemed income for tax purposes	-	71
Effects of group relief/other reliefs	3,263	8,648
	<u>34</u>	<u>71</u>
Tax charge for the year		

For the year ended 31 December 2021, the corporation tax rate was 19.00% (2020: 19.00%)

# SMITH & NEPHEW USD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 8 Tangible fixed assets

	Land and buildings	Plant, equipment and vehicles	Total
	\$000	\$000	\$000
<b>Cost</b>			
At 1 January 2020	2,276	2,562	4,838
Additions	1,732	-	1,732
Disposals	(2,276)	(2,562)	(4,838)
At 31 December 2020	1,732	-	1,732
Additions	215	-	215
At 31 December 2021	1,947	-	1,947
<b>Accumulated depreciation</b>			
At 1 January 2020	1,541	2,053	3,594
Depreciation charge for the year	295	416	711
Eliminated on disposal	(1,687)	(2,469)	(4,156)
At 31 December 2020	149	-	149
Depreciation charge for the year	390	-	390
At 31 December 2021	539	-	539
<b>Carrying amount</b>			
At 31 December 2021	1,408	-	1,408
At 31 December 2020	1,583	-	1,583

Information about the Company's right-of-use assets is outlined below:

	Land and buildings	Plant, equipment and vehicles	Total
	\$000	\$000	\$000
Additions	215	-	215
Depreciation charge in the year	390	-	390
Net book value at 31 December 2021	1,408	-	1,408



# SMITH & NEPHEW USD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 9 Investments

	Non-current 2021 \$000	2020 \$000
Available-for-sale investment carried at fair value	253	434
Investments in subsidiaries	13,077,197	12,955,759
Investments in associates	148,716	-
	<u>13,226,166</u>	<u>12,956,193</u>

In February 2021, the Company acquired an 10.96% interest in an associated undertaking, Bioventus Inc. at a cost of \$92m, from another group entity. In October 2021, Bioventus Inc. acquired Misonix, Inc in a cash and share transaction. As a consequence, the equity holding of the Company reduced to 8.28%, while the overall value of the investment increased. Accordingly, there was a net (non-cash) gain on the dilution of the Company's shareholding in Bioventus Inc. of \$58m reflecting the net impact of the reduction in the Company's equity holding and the higher overall value of the associate undertaking. Following this, Bioventus employee share options were exercised which reduced the Company's holding to 8.27%. During the year, the Company also recognised a share of loss of the associate amounting to \$1m.

The Company also injected further capital into existing subsidiary undertakings, including \$79m into Smith and Nephew Operations Sdn. Bhd and \$40m into Smith & Nephew AG.

# SMITH & NEPHEW USD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 9 Investments

(Continued)

#### Movements in fixed asset investments

	Shares in fellow group subsidiaries and related undertakings	Investments in associates	Total
	\$000	\$000	\$000
<b>Cost</b>			
At 1 January 2021	14,035,032	-	14,035,032
Additions	134,765	148,716	283,481
Foreign exchange movements	(9,353)	-	(9,353)
Disposals	(3,640)	-	(3,640)
At 31 December 2021	14,156,804	148,716	14,305,520
<b>Impairment</b>			
At 1 January 2021	(1,078,839)	-	(1,078,839)
Impairment losses	(515)	-	(515)
At 31 December 2021	(1,079,354)	-	(1,079,354)
<b>Carrying amount</b>			
At 31 December 2021	13,077,450	148,716	13,226,166
At 31 December 2020	12,956,193	-	12,956,193

### 10 Debtors

	Due within one year		Due after one year	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Other receivables	1,856	6,474	-	8,289
Corporation tax recoverable	-	11	-	-
Amounts due from fellow group undertakings	1,718	27,282	-	-
	3,574	33,767	-	8,289

Allowance losses on amounts owed by fellow group undertakings are calculated by reviewing 12-month expected credit losses using historic and forward-looking data on credit risk. The loss allowance expense for the year was \$nil (2020: \$nil).

Other receivables includes contingent consideration receivable of \$1.8 million.

# SMITH & NEPHEW USD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 11 Loans and overdrafts

	2021 \$000	2020 \$000
Loans from parent undertaking	113,482	122,834

#### Analysis of loans and overdrafts

Borrowings are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2021 \$000	2020 \$000
Due after one year liabilities	113,482	122,834

#### 12 Trade creditors and other payables

	Due within one year		Due after one year	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Amount due to parent undertaking	2,206,820	2,307,555	-	-
Amounts due to fellow group undertakings	3,050	11,241	-	-
Accruals	2,211	1,662	-	-
Acquisition consideration	9,368	7,290	7,488	20,400
Other creditors	174	217	-	-
	2,221,623	2,327,965	7,488	20,400

Acquisition consideration includes \$9.8 million contingent upon future events.

#### 13 Share capital

	2021 \$	2020 \$
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
728,346,939 Ordinary shares of \$1 each	728,346,939	728,346,939
100 Deferred shares of £1 each	148	148
	728,347,087	728,347,087

# SMITH & NEPHEW USD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 14 Share premium account

	\$000
At 31 December 2020 & at 31 December 2021	2,369,940

There was no movement in share premium account during the year. This reserve represents the excess consideration received above the nominal value of share capital.

### 15 Retained earnings

	\$000
At 1 January 2020	7,043,763
Profit for the year	289,952
At 31 December 2020	7,333,715
Profit for the year	359,715
At 31 December 2021	7,693,430

The profit and loss account contains \$3,945,999,000 which is not distributable.

### 16 Events after the reporting date

On 18 January 2022, the Company, via fellow group undertakings, completed the acquisition of 100% of the share capital of Engage Uni, LLC (doing business as Engage Surgical), owner of the only cementless unicompartmental (partial) knee system commercially available in the US. This acquisition strongly supports Smith+Nephew's Strategy for Growth by transforming its business through innovation and acquisition, while also providing differentiation for customers. The maximum consideration, all payable in cash, is \$135m and the provisional fair value consideration is \$132m and includes \$32m of contingent consideration.

### 17 Contingent liabilities

The Company, together with Smith & Nephew plc and certain fellow subsidiary undertakings, has entered into guarantees with the National Westminster Bank plc and HSBC Bank plc. The arrangement with National Westminster Bank plc is in respect of the net overdrafts of the other parties to the guarantee. The maximum exposure under this guarantee amounts to £10 million (2020 - £10 million). The arrangement with HSBC Bank plc is in respect of the gross overdrafts of the other parties to the guarantee. The maximum exposure under this guarantee is \$50 million (2020 - \$50 million).

# SMITH & NEPHEW USD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 18 Subsidiaries and other related undertakings

In accordance with Section 409 of the Companies Act 2006, a full list of subsidiaries and other related undertakings is given below.

Company name	Registered office address	Proportion of ownership interest (%)
Adler Mediequip Private Limited (2)	Podium Floor Tower 4, World Trade Center S No1 Kharadi, Pune, Maharashtra-MH, 411014, India	100.00
ArthroCare Belgium BV (2)	Ikaroslaan 45, Gebouw D, 1930 Zaventem, Belgium	100.00
ArthroCare Corporation (2)	CT Corporation, 1209 Orange Street, Wilmington DE 19801, USA	100.00
ArthroCare Costa Rica S.R.L. (1)	Building B32, 50 meters South of Revisión Técnica Vehicular, Province de Alajuela, Canton Alajuela,	100.00
ArthroCare Medical Devices (Beijing) Co. Limited (2) (in liquidation)	Room 17-021, Internal B17 floor, B3-24th floor, No 3 Xin Yuan South Rd, Chao Yang District, Beijing,	100.00
Ascension Orthopedics, Inc. (2)	C T Corporation, 1209 Orange Street, Wilmington, DE 19801, USA	100.00
Atracsys Sarl (1)	Route du Verney 20, 1070, Puidoux, Switzerland	100.00
Austin Miller Trauma LLC	C T Corporation, 1209 Orange Street, Wilmington, DE 19801, USA	100.00
Bioventus Inc. (1)(2)*	CT Corporation, 1209 Orange Street, Wilmington DE 19801, USA	29.23
Bioventus LLC (2)	CT Corporation, 1209 Orange Street, Wilmington DE 19801, USA	20.96
Blue Belt Holdings, Inc. (2)	CT Corporation, 1209 Orange Street, Wilmington DE 19801, USA	100.00
Blue Belt Technologies, Inc. (2)	CT Corporation 1515 Market Street, Philadelphia, PA 19102, USA	100.00
Ceterix Orthopaedics, Inc. (2)	CT Corporation, 1209 Orange Street, Wilmington DE 19801, USA	100.00
CRES Holdings, Inc. (2) (3)	850 New Burton Road, Suite 201, City of Dover, County of Kent DE 19904, USA	0.99
DC LLC (2)	8/1 Stroiteley Street, 142290, City of Puschino, Moscow Region, Russian Federation	100.00
Healicoil Inc (2)	CT Corporation, 1209 Orange Street, Wilmington DE 19801, USA	100.00
Hipco, Inc. (2)	CT Corporation, 1209 Orange Street, Wilmington DE 19801, USA	100.00
Integrated Shoulder Collaboration, Inc. (2)	251, Little Falls Drive, Wilmington, County of New Castle DE 19808, USA	100.00
Leaf Healthcare, Inc. (2)	CT Corporation, 1209 Orange Street, Wilmington DE 19801, USA	100.00
Memphis Biomed Ventures I, L.P. (2)	160 Greentree Drive, Suite 101, Dover, DE, 19904, USA	4.26
Miach Orthopaedic Inc. (2)	160 Greentree Drive, Suite 101, Dover, Kent, DE 19904, USA	10.09
MiJourney, LLC	63 Burke Road, Cranberry Township, Butler County PA 16066, USA	100.00
Oratec Interventions, Inc. (2)	CT Corporation, 1209 Orange Street, Wilmington DE 19801, USA	100.00

# SMITH & NEPHEW USD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

18 Subsidiaries and other related undertakings	(Continued)
Orthopaedic Biosystems Ltd., Inc. (2)	CT Corporation System, 3800 North Central Avenue, Phoenix AZ 85012, USA 100.00
Osiris Therapeutics, Inc.	7015 Albert Einstein Dr., Columbia, Howard County MD 21046' USA 100.00
Osteobiologics, Inc. (2)	CT Corporation, 1209 Orange Street, Wilmington DE 19801, USA 100.00
Plus Orthopedics (Beijing) Co., Ltd (2)	22 Linhe Avenue, Linhe Economic Development Zone, Shunyi District, Beijing, 101300 PRC (People's Rep 100.00
Plus Orthopedics Holding AG (1)	Theilerstrasse 1A, 6300, Zug, Switzerland 100.00
Plus Orthopedics LLC (2)	CT Corporation, 1209 Orange Street, Wilmington DE 19801, USA 100.00
Rotation Medical, Inc. (2)	CT Corporation, 1209 Orange Street, Wilmington DE 19801, USA 100.00
S&N Holdings SAS (2)	Calle 100 No. 7 - 33 to 1 P3, Bogota D.C., 00000, Colombia 100.00
Serda B.V.	Paasheuvelweg 25, 1105BP, Amsterdam, Netherlands 49.00
Sinopsys Surgical, Inc. (2)	CT Corporation, 1209 Orange Street, Wilmington DE 19801, USA 1.44
Smith & Nephew (Alberta) Inc (2)	3500-855-2 Street SW, Calgary AB AB T2P 4J8, Canada 100.00
Smith & Nephew (Europe) B.V. (1)	Bloemlaan 2, 2132NP, Hoofddorp, Netherlands 100.00
Smith & Nephew (Ireland) Trading Limited (1)	13-18 City Quay, Dublin 2, D02 ED70, Ireland 100.00
Smith & Nephew (Pty) Limited (1)	30 The Boulevard, Westway Office Park, Westville, 3629, South Africa 100.00
Smith & Nephew A/S (1)	Slotsmarken 14, Hoersholm, DK-2970, Denmark 100.00
Smith & Nephew AG (2)	Theilerstrasse 1A, 6300, Zug, Switzerland 100.00
Smith & Nephew Aktiebolag (1)	PO Box 143, S-431 22 Molndal, Sweden 100.00
Smith & Nephew Argentina S.R.L. (1)	Maipu 1300, 13th Floor, City of Buenos Aires, Argentina 90.00
Smith & Nephew Asia Pacific Pte. Limited (1)	29 Media Circle, #06-05, Alice@Mediapolis, Singapore, 138565, Singapore 100.00
Smith & Nephew AS (1)	Nye Vakas vei 64, 1395, Hvalsted, Norway 100.00
Smith & Nephew B.V. (2)	Bloemlaan 2, 2132NP, Hoofddorp, Netherlands 100.00
Smith & Nephew Beijing Holdings Limited (1)	Unit 813-816, 8/F Delta House, 3 On Yiu Street, Shatin New Territories, Hong Kong 100.00
Smith & Nephew Business Services GmbH & Co KG (2)	Friesenweg 4, Haus 21, 22763, Hamburg, Germany 100.00
Smith & Nephew Business Services Verwaltungs GmbH (2)	Friesenweg 4, Haus 21, 22763, Hamburg, Germany 100.00
Smith & Nephew China Holdings UK Limited (1)	Building 5, Croxley Park, Hatters Lane, Watford, Hertfordshire, WD18 8YE, United Kingdom 100.00
Smith & Nephew Chusik Hoesia (1)	13F, ASEM Tower, 517, Yeongdong-daero, Gangnam-gu, Seoul, 06164, Korea; Republic of 100.00
Smith & Nephew Colombia SAS (2)	Calle 100 No. 7 - 33 to 1 P3, Bogota D.C., Colombia 100.00
Smith & Nephew Comercio de Produtos Medicos LTDA (2)	Av. das Nações Unidas, 14171- 23º andar - Torre C-Crystal, Vila Gertrudes, São Paulo, CEP 043794-000 100.00
Smith & Nephew Consolidated, Inc. (2)	CT Corporation, 1209 Orange Street, Wilmington DE 19801, USA 100.00

# SMITH & NEPHEW USD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

18 Subsidiaries and other related undertakings	(Continued)
Smith & Nephew Curacao N.V. (2) Pietermaai 15, PO Box 4905, Curacao	100.00
Smith & Nephew Deutschland (Holding) GmbH (2) Friesenweg 4, Haus 21, 22763, Hamburg, Germany	100.00
Smith & Nephew France SAS (1) 40 - 52 Boulevard du Parc, 92200, Neuilly-sur-Seine, France	100.00
Smith & Nephew FZE (1) Office No. LB02016, PO Box 16993, Jebel Ali, Dubai, U.A.E..	100.00
Smith & Nephew GmbH (1) Concorde Business Park 1/C/3, 2320, Schwechat, Austria	100.00
Smith & Nephew GmbH (2) Friesenweg 4, Haus 21, 22763, Hamburg, Germany	100.00
Smith & Nephew Healthcare Private Limited (1),(2) 501-B - 509 B Dynasty Business Park, Andheri Kurla Road, Andheri East, Mumbai-59, Maharashtra, India	99.10
Smith & Nephew Healthcare Sdn. Berhad (1) Level 25, Menara Hong Leong, NO. 6 Jalan Damanlela Bukit Damansara, Kuala Lumpur W.P., 50490 Kuala L	100.00
Smith & Nephew Inc. (1) 199, Bay Street, 4000 Toronto On M5L 1A9, Canada	100.00
Smith & Nephew International S.A (2) 1A, Rue Jean Piret, L-2350, Luxembourg	100.00
Smith & Nephew KK (2) 2-4-1, Shiba -Koen, Minato -Ku, Tokyo 105-0011, Japan	100.00
Smith & Nephew Lda (1) Estrada Nacional nº 10 ao Km. 131, Parque Tejo - Bloco C, 2625-445 Forte de Casa, Vila Franca de Xir	99.99
Smith & Nephew Limited (1) Unit 813-816, 8/F Delta House, 3 On Yiu Street, Shatin NT, Hong Kong	100.00
Smith & Nephew Limited (1) 621 Rosebank Road, Avondale, Auckland, 1026, New Zealand	100.00
Smith & Nephew Limited (1) 16th Floor Building A, 9th Tower Grand Rama 9, 33/4 Rama 9 Road, Huai Khwang District, Bangkok, 1031	100.00
Smith & Nephew LLC (2) 2nd Syromyatnichesky Lane 1, 9th Floor, Premises 1, Room 1, 105120, Moscow, Russian Federation	100.00
Smith & Nephew Manufacturing AG (2) Schachenallee 29, 5000, Aarau, Switzerland	100.00
Smith & Nephew Medical (Shanghai) Limited (1) 4th Floor, Tong Yong Building, No 188 Ao Na Rd, Shanghai Free Trade Test Zone, Shanghai, China	100.00
Smith & Nephew Medical (Suzhou) Limited (2) 12, Wuxiang Road, West Area of Comprehensive Bonded Zone, Suzhou Industrial Park, Jiangsu Province,	100.00
Smith & Nephew N.V.-S.A (1) Ikaroslaan 45, Gebouw D, 1930 Zaventem, Belgium	99.99
Smith & Nephew Nederland CV (2) Bloemlaan 2, 2132NP, Hoofddorp Netherlands	100.00
Smith & Nephew Operations B.V. (2) Bloemlaan 2, 2132NP, Hoofddorp Netherlands	100.00
Smith & Nephew Operations Sdn. Bhd (1) Level 25, Menara Hong Leong, NO. 6 Jalan Damanlela Bukit Damansara, Kuala Lumpur W.P., 50490 Kuala L	100.00
Smith & Nephew Orthopaedics GmbH (2) Alemannenstrasse 14, 78532 Tuttlingen, Germany	100.00
Smith & Nephew Orthopaedics (Beijing) Co. Ltd (2) No. 98 Kechuang Dongliujie, Beijing Economic and Technical Development Area, Beijing, China	100.00
Smith & Nephew Orthopaedics AG (2) Theilerstrasse 1A, 6300, Zug, Switzerland	100.00
Smith & Nephew Oy (1) Ayratie 12 C, 01510 Vantaa, Finland	100.00

# SMITH & NEPHEW USD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

18 Subsidiaries and other related undertakings			(Continued)
Smith & Nephew Pharmaceuticals Ltd (2)	(Proprietary) 30 The Boulevard, Westway Office Park, Westville, 3629, South Africa		100.00
Smith & Nephew Pte Ltd (2)	29 Media Circle, #06-05, Alice@Mediapolis, Singapore, 138565, Singapore		100.00
Smith & Nephew Pty Ltd (1)	85 Waterloo Road, North Ryde NSW 2113, Australia		100.00
Smith & Nephew Robotics GmbH (2)	Konrad-Zuse-Platz 8, 81829, Munich, Germany		100.00
Smith & Nephew S.A. de C.V (2)	Av. Insurgentes Sur, numero 1602, Piso No.7, Oficina 702, Colonia Credito, C.P. 03940, Mexico		100.00
Smith & Nephew S.A.S (2)	40-52 Boulevard du Parc, 92200 Neuilly Sur Seine , France		100.00
Smith & Nephew S.A.U (1)	Edificio Conata I, c/ Fructuos Gelabert 2 y 4, San Joan Despi - 08970, Barcelona, Spain		100.00
Smith & Nephew s.r.l. (1)	Via De Capitani 2A, 20864, Agrate Brianza, MI Italy		100.00
Smith & Nephew Schweiz AG (2)	Theilerstrasse 1A, 6300, Zug, Switzerland		100.00
Smith & Nephew Services SDN. BHD. (1)	Level 25, Menara Hong Leong, NO. 6 Jalan Damanlela Bukit Damansara, Kuala Lumpur W.P., 50490 Kuala L		100.00
Smith & Nephew sp z.o.o (1)	Ul Osmanska 12, 02-823 Warsaw, Poland		99.86
Smith & Nephew Superannuation Scheme Limited (2)	621 Rosebank Road, Avondale, Auckland, 1026, New Zealand		100.00
Smith & Nephew Surgical Holdings Pty Ltd (1)	85 Waterloo Road, North Ryde NSW 2113, Australia		100.00
Smith & Nephew Surgical Pty Ltd (2)	85 Waterloo Road, North Ryde NSW 2113, Australia		100.00
Smith & Nephew Suzhou Holdings Limited (1)	Unit 813-816, 8/F Delta House, 3 On Yiu Street, Shatin NT, Hong Kong		100.00
Smith & Nephew USD One Limited (1)	Building 5, Croxley Park, Hatters Lane, Watford, Hertfordshire, WD18 8YE, United Kingdom		100.00
Smith & Nephew, Inc. (1) (2)	Edificio Cesar Castillo, Calle Angel Buonomo #361, Hato Rey, 00917, Puerto Rico		100.00
Smith & Nephew, Inc (2)	CT Corporation, 1209, Orange Street, Wilmington, DE 19801, USA		100.00
Smith ve Nephew Medikal Cihazlar Ticaret Limited Sirketi (1)	Mahmutbey Mahallesi, 2538. Sokak, Kisik Plaza Apt. No:6/Z1, Istanbul, Bagcilar, Turkey		100.00
Sri Siam Medical Limited (1)	16th Floor, GPF Witthayu Tower A, 93/1 Wireless Road, Lumpini, Phatumwan, Bangkok, 10330, Thailand		99.94
S&N ORION PRIME, S.A. (1)	Rua Pedro Nunes, Instituto Pedro Nunes, Edificio IPN-C, 3030-199, Coimbra, Portugal		100.00
Surgical Frontiers Series I, LLC (2)	160 Greentree Drive, Suite 101, Dover, Kent, DE 19904, Delaware, USA		33.46
TEAMfund, LP (1)	Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman, KY1		6.77
Tenet Medical Engineering Inc (2)	3500-855-2 Street SW, Calgary AB T2P 4J8, Canada		100.00
Trice Medical, Inc. (2)	251 Little Falls Drive, Wilmington DE 19808, USA		3.30



# SMITH & NEPHEW USD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 18 Subsidiaries and other related undertakings

(Continued)

Tusker Medical, Inc. (2)	251, Little Falls Drive, Wilmington, County of New Castle DE 19808, USA	100.00
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(1) Interest held directly by the Company.

(2) Interest held indirectly by the Company.

\* 29.23% voting rights; 8.27% economic interest, of which 20.96% is indirectly held and 8.27% is directly held.

#### 19 Ultimate parent Company and parent Company of a larger Group

The Company is a subsidiary undertaking of TP Limited which is the immediate parent company incorporated in Scotland. The ultimate parent undertaking of the Company is Smith & Nephew plc. The smallest and largest group in which the results of the Company are consolidated is that headed by Smith & Nephew plc. The consolidated financial statements of the Group are available to the public and may be obtained from Building 5, Croxley Park, Hatters Lane, Watford, Hertfordshire, WD18 8YE or online via [www.smith-nephew.com](http://www.smith-nephew.com).