

**BECTON DICKINSON (CME) U.K. LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**BECTON DICKINSON (CME) U.K. LIMITED**

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**COMPANY INFORMATION**

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**Directors**

M J Fairbourn  
E D Hopkin  
J K Neat  
S Venkataraman (appointed 5 November 2019)

**Registered number**

04236707

**Registered office**

1030 Eskdale Road  
Winnersh Triangle  
Wokingham  
Berkshire  
RG41 5TS

**Independent auditor**

Grant Thornton UK LLP  
Chartered Accountants & Statutory Auditor  
4 Hardman Square  
Spinningfields  
Manchester  
M3 3EB

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**BECTON DICKINSON (CME) U.K. LIMITED**

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## BECTON DICKINSON (CME) U.K. LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020

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#### Business review

The Directors are pleased with trading and results for the year. Strong performance in the year saw turnover increase on an annualised basis by 26% to £19,235,848. A continued strategy of tight cost control and focus on product mix has resulted in a strong delivery of profitability. Profit before tax was £878,540.

Since its acquisition in September 2017, the Company has continued to become more fully integrated into the Becton Dickinson (BD) Group of Companies and as a result changes have been made to the operating model. As a consequence of these changes, the Company's exposure to risk has changed significantly. The Company is no longer exposed to risks such as product liability, market risk, foreign exchange risk, credit risk, inventory risk, regulatory risk which are now borne by other BD Group Companies.

The Company continues to pursue a strategy to proactively seek out new and innovative ways to develop specialist medical technology that improves patient care in hospital, in the community and at home and in particular aims to reduce time spent in hospital. As a result, we are continually engaging with our customers and key opinion leaders in order to deliver new and improved products which meet patient needs.

The results of the Company are included in the consolidated financial statements of Becton, Dickinson and Company which are available from "<http://www.bd.com>" [www.bd.com](http://www.bd.com)

In assessing the outcomes of these strategies, management generally reviews quarterly forecast data, monthly actual results, segment sales and other similar information. We also consider trends related to certain key financial data, including gross profit margin, selling and administrative expenses and cash flows.

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

	2020 £	2019 £	Change %
Turnover	19,235,848	15,231,126	26
Total operating profit	785,549	508,408	55
Profit after tax	849,096	491,752	72
Average number of employees	12	33	64

#### Principal risks and uncertainties

##### Economic risk

##### COVID-19

In December 2019 a novel strain of coronavirus ("COVID -19") was reported in Wuhan, China. On 11 March 2020 the World Health Organisation ("WHO") declared COVID -19 a pandemic.

During the year ended 30 September 2020, the spread of the COVID-19 outbreak caused severe disruption in the United Kingdom and global economy markets and financial markets and created widespread business continuity issues. Many countries, including the United Kingdom, reacted by instituting quarantines, mandating business and school closures and restricting travel. Many experts predict that the outbreak will trigger a period of global economic slowdown or a global recession.

Based on information provided by the Government, the HSE, the WHO and available publicly, the directors continue to take measures to reduce any potential impact on the Company's operations up to the date of signing of the financial statements. These include, adjusting capacity to current demand environment and negotiating new payment terms with partners to preserve cash. Measures have also been taken to ensure operations adhere to current HSE guidelines.

Our top priority remains the health and safety of our staff and clients.

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**BECTON DICKINSON (CME) U.K. LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**Brexit**

The Directors have considered the impact of Brexit but consider that the effect of any increased customs duties and other import costs on the business will not be significant.

**Currency risk**

Currency risk is restricted to short term settlement of trading balances with customers and suppliers. Sales and purchases are invoiced in Sterling, so are not subject to currency risk.

**Price risk**

The Company does not have a significant exposure to price risk on either the purchase or sale of finished products.

**Credit risk**

A substantial proportion of the Company's turnover is with public sector bodies where financial risk is minimal. Where the Company supplies the private sector the Directors manage its exposure to financial risk by researching the creditworthiness of its customers.

**Liquidity risk**

The Company seeks to manage financial risk by ensuring that sufficient liquidity is available to meet foreseeable needs and by investing cash assets safely and profitably.

**Interest rate risk**

The Company finances its operations through cash and retained profits. At the year end there were no interest bearing borrowings.

**Legislative risk**

The Company operate in a regulated industry and products are subject to rigorous manufacturing standards.

**Future developments**

The Directors are confident that the business will continue to expand in 2021 and beyond and will continue to seek out complementary products that fit the Company ethos to deliver better patient outcomes. The Directors believe that the Company has the necessary resources to continue to meet its customer requirements and to increase market share.

This report was approved by the board on 22/5/2021 and signed on its behalf.

*Srividhya*

**S Venkataraman**  
Director

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**BECTON DICKINSON (CME) U.K. LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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The Directors present their report and the financial statements for the year ended 30 September 2020.

**Principal activity**

The principal activities of the Company are the sale, distribution and servicing of medical infusion devices.

**Results and dividends**

The profit for the year, after taxation, amounted to £849,096 (2019: £491,752).

No dividends were paid during the year (2019: £Nil).

**Directors**

The Directors who served during the year were:

M J Fairbourn  
E D Hopkin  
J K Neat  
S Venkataraman (appointed 5 November 2019)

**Directors' responsibilities statement**

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

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**BECTON DICKINSON (CME) U.K. LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**Going concern**

The financial statements have been prepared on a going concern basis. The following paragraphs set out the basis on which the directors have reached their conclusion.

The Company currently meets its day to day working capital requirements through intercompany funding. The continuation of the Company's activities is dependent upon the continuing support of its ultimate parent Becton Dickinson.

The directors have concluded, after making enquiries, that they have a reasonable expectation that the Company has access to adequate resources, and the support from its ultimate parent company to enable it to continue in operational existence for the foreseeable future being a period of not less than 12 months from the date of approval of these financial statements. For these reasons, they continue to adopt the going concern basis in preparing the annual report and accounts.

**Qualifying third party indemnity provisions**

Insurance policies are in place that indemnify the Directors against liability when acting for Becton Dickinson (CME) UK Limited) Limited.

**Engagement with employees**

The Becton Dickinson UK Group operates a framework for employee information and consultation, which complies with the requirements of the Information and Consultation of Employee Regulations 2004. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Employees participate directly in the success of the business through the Company's profit and success sharing schemes and are encouraged to invest in the group through participation in a share ownership programme. The Company places considerable emphasis on supporting and developing its employees and promoting a diverse and inclusive culture. When recruiting, the Company attaches particular importance to performance-oriented, honest, socially and professionally competent employees who are team players and enthusiastic, who have identified development potential, and whose values and outlook are compatible with the Company's purpose and values.

The Company's success is decisively influenced by the skills and commitment of its employees. The Company therefore attaches great importance to education and training. The Company takes great care in the development and advancement of its employees, because the success of the Company is also largely determined by the skills and commitment of its employees. BD offer associates and their managers a number of tools to help in their personal and professional development, including career development plans, mentoring programs and in-house learning opportunities, including BD University, the Company's in-house continuing education program.

The health and wellbeing of our employees has been paramount during the pandemic. In particular, we have actively worked with charities, local businesses and third-party providers to consciously remove the stigma of mental health for our employees. We have an active occupational health service, have pledged to remove these stigmas through work with MIND, have trained a significant number of mental health first aiders, and added three additional benefits in the year to provide access and resources for support, as well as developing our own internal programmes.

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**BECTON DICKINSON (CME) U.K. LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**Disclosure of information to auditor**

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Post balance sheet events**

Other than as described in the Principal Risks and Uncertainties section above in relation to COVID-19, there were no significant events between the Balance Sheet date and the date of signing of the financial statements, affecting the Group, which require adjustment to or disclosure in the financial statements.

United Kingdom leaving the European Union

The United Kingdom formally left the European Union 31 January 2020 and on 24 December 2020 the UK and EU agreed a Comprehensive Trade Agreement that came into force on 1 January 2021. The Agreement outlines new rules for living, working, and trading between the two parties.

The UK's Border Operating Model outlines a phased approach for cargo to limit immediate changes at the UK border, with full checks beginning from 1 July 2021.

The directors have considered the impact on the financial statements up to the date of signing and do not consider any adjustments are required in respect of this matter.

**Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 22/5/2021 and signed on its behalf.

*Srinidhya*

**S Venkataraman**  
Director





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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BECTON DICKINSON (CME) U.K. LIMITED**

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### **Opinion**

We have audited the financial statements of Becton Dickinson (CME) U.K. Limited (the 'Company') for the year ended 30 September 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, 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 Financial Reporting Standard 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 30 September 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.

### **The impact of macro-economic uncertainties on our audit**

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a Company associated with these particular events.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BECTON DICKINSON (CME) U.K. LIMITED  
(CONTINUED)**

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**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

In our evaluation of the directors' conclusions, we considered the risks associated with the Company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

**Other information**

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

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

We have nothing to report in this regard.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BECTON DICKINSON (CME) U.K. LIMITED  
(CONTINUED)**

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**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors for the financial statements**

As explained more fully in the Directors' Responsibilities Statement on page 3, 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.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BECTON DICKINSON (CME) U.K. LIMITED  
(CONTINUED)**

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

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

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, 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.

*Grant Thornton UK LLP*

Michael Frankish  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Manchester  
Date: 23/5/2021

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**BECTON DICKINSON (CME) U.K. LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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	Note	2020 £	2019 £
Turnover	4	19,235,848	15,231,126
Cost of sales		(16,505,666)	(11,742,076)
<b>Gross profit</b>		<b>2,730,182</b>	<b>3,489,050</b>
Distribution costs		(14,515)	(37,384)
Administrative expenses		(1,930,273)	(1,843,846)
Exceptional administrative expenses		-	(1,099,412)
Other operating income		155	-
<b>Operating profit</b>	5	<b>785,549</b>	<b>508,408</b>
Interest receivable and similar income	9	92,991	101,796
Interest payable and expenses	10	-	(1,034)
<b>Profit before tax</b>		<b>878,540</b>	<b>609,170</b>
Tax on profit	11	(29,444)	(117,418)
<b>Profit for the financial year</b>		<b>849,096</b>	<b>491,752</b>

There were no recognised gains and losses for 2020 or 2019 other than those included in the Statement of Comprehensive Income.

There was no other comprehensive income for 2020 (2019: £Nil).

The notes on pages 13 to 27 form part of these financial statements.

**BECTON DICKINSON (CME) U.K. LIMITED**  
**REGISTERED NUMBER:04236707**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	12	2,229	15,507
Tangible assets	13	532,521	629,038
		<u>534,750</u>	<u>644,545</u>
<b>Current assets</b>			
Stocks	14	2,934,448	1,572,014
Debtors: amounts falling due within one year	15	13,411,291	9,832,289
Cash at bank and in hand	16	208,188	75,018
		<u>16,553,927</u>	<u>11,479,321</u>
Creditors: amounts falling due within one year	17	(9,158,815)	(5,032,213)
<b>Net current assets</b>		<u>7,395,112</u>	<u>6,447,108</u>
<b>Total assets less current liabilities</b>		<u>7,929,862</u>	<u>7,091,653</u>
<b>Provisions for liabilities</b>			
Deferred tax	18	(31,013)	(41,900)
		<u>(31,013)</u>	<u>(41,900)</u>
<b>Net assets</b>		<u><u>7,898,849</u></u>	<u><u>7,049,753</u></u>
<b>Capital and reserves</b>			
Called up share capital	19	1	1
Profit and loss account	20	7,898,848	7,049,752
		<u><u>7,898,849</u></u>	<u><u>7,049,753</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

*Srividhya*

22/5/2021

**S Venkataraman**  
 Director

The notes on pages 13 to 27 form part of these financial statements.

**BECTON DICKINSON (CME) U.K. LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 1 October 2019	1	7,049,752	7,049,753
<b>Comprehensive income for the year</b>			
Profit for the year	-	849,096	849,096
<b>Total comprehensive income for the year</b>	-	849,096	849,096
<b>Total transactions with owners</b>	-	-	-
<b>At 30 September 2020</b>	<b>1</b>	<b>7,898,848</b>	<b>7,898,849</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Called up share capital	Other reserves	Retained earnings	Total equity
	£	£	£	£
At 1 October 2018	1	1,676	6,556,324	6,558,001
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	491,752	491,752
<b>Total comprehensive income for the year</b>	-	-	491,752	491,752
Transfer to/from profit and loss account	-	(1,676)	1,676	-
<b>Total transactions with owners</b>	-	(1,676)	1,676	-
<b>At 30 September 2019</b>	<b>1</b>	<b>-</b>	<b>7,049,752</b>	<b>7,049,753</b>

The notes on pages 13 to 27 form part of these financial statements.

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**BECTON DICKINSON (CME) U.K. LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**1. General information**

Becton Dickinson (CME) U.K. Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at 1030 Eskdale Road, Winnersh Triangle, Wokingham, Berkshire, RG41 5TS.

The principal activities of the Company are the sale, distribution and servicing of medical infusion devices.

**2. Accounting policies****2.1 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 Financial Statements are presented in Sterling (£), being the functional currency.

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 3).

The following principal accounting policies have been applied:

**2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A.

This information is included in the consolidated financial statements of Becton Dickinson and Company as at 30 September 2020 and these financial statements may be obtained from [www.bd.com](http://www.bd.com).



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**BECTON DICKINSON (CME) U.K. LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**2. Accounting policies (continued)****2.3 Going concern**

The Company is profitable and is cash generative, currently meeting its day to day working capital requirements through intercompany funding. The entity is part of a cash pooling arrangement within the group and consequently the cash position at the year-end is £Nil. At the year-end CME shows an intercompany debtor to reflect this situation. The Company has net current assets of £7,395,112 (2019: £6,447,108) at the year end and is dependent on the ongoing financial support of its ultimate parent undertaking, Becton, Dickinson and Company, who has confirmed to the directors of the Company that this support will be forthcoming for the foreseeable future, being not less than one year from the date of approval of these financial statements, in order to enable the Company to fulfil its financial commitments as and when liabilities fall due. Accordingly, the directors have prepared these financial statements on a going concern basis.

It is the directors' view, to the best of their current knowledge, that COVID-19 will not have a material adverse impact on the Company's ability to continue as a going concern.

Our overall view for the Company is that the economic downturn is expected to be temporary as activity is expected to resume to a close semblance of normality by the end of the calendar year 2021 or sooner depending upon the success of the vaccine roll-out.

**2.4 Revenue**

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue arising from the sale of goods is recognised when the goods are dispatched. Revenue arising from the provision of services is recognised over the life of the service contract.

**2.5 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on the following bases:

Computer software	-	25 % Straight line
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**BECTON DICKINSON (CME) U.K. LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**2. Accounting policies (continued)****2.6 Tangible fixed 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.

Depreciation is provided on the following basis:

Plant and machinery	- 25% straight line
Fixtures and fittings	- 25% reducing balance
Products on loan	- 7 years straight line

Plant and machinery and fixtures and fittings were written down in full in the prior year and disposed of in full in the current year.

**2.7 Operating leases**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period of the lease.

**2.8 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 first in, first out basis.

At each reporting 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 the profit or loss.

**2.9 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.10 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.

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**BECTON DICKINSON (CME) U.K. LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**2. Accounting policies (continued)****2.11 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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 the liability simultaneously.

**2.12 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.13 Foreign currency translation**

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

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**BECTON DICKINSON (CME) U.K. LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**2. Accounting policies (continued)****2.14 Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.15 Pensions****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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

**2.16 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.17 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

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**BECTON DICKINSON (CME) U.K. LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**2. Accounting policies (continued)**

**2.18 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2.19 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- The useful expected lives of property, plant and equipment;
- The residual values of tangible fixed assets;
- Stock provision.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**4. Turnover**

The whole of the turnover is attributable to the principal activity.

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	18,116,360	14,600,346
Europe and rest of world	1,119,488	630,780
	<u>19,235,848</u>	<u>15,231,126</u>

**5. Operating profit**

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	166,174	210,072
Amortisation of intangible assets, including goodwill	13,278	13,278
Operating lease rentals - other operating leases	45,500	57,000
Loss on disposal of tangible fixed assets	3,112	2,962
	<u>228,064</u>	<u>283,312</u>

**6. Auditor's remuneration**

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>29,500</u>	<u>18,100</u>

**Fees payable to the Company's auditor and its associates in respect of:**

Statutory accountancy preparation	1,000	2,500
Taxation advisory services	-	6,550
Taxation compliance services	2,000	1,500
	<u>3,000</u>	<u>10,550</u>

**BECTON DICKINSON (CME) U.K. LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**7. Employees**

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	366,873	1,075,624
Social security costs	73,360	108,847
Cost of defined contribution scheme	17,115	47,798
	<u>457,348</u>	<u>1,232,269</u>

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

	2020 No.	2019 No.
Management, Sales and Administration	<u>12</u>	<u>33</u>

From March 2020 to September 2020 staff costs of £463,135 were recharged by group entities in relation to an average of 26 members of staff across this period.

**8. Exceptional items**

	2020 £	2019 £
Exceptional items	<u>-</u>	<u>1,099,412</u>

Exceptional costs of £Nil (2019: £1,099k) are in relation to a restructure in the year and relate to redundancy and contract exit costs.

**9. Interest receivable**

	2020 £	2019 £
Interest receivable from group companies	89,633	100,795
Other interest receivable	3,358	1,001
	<u>92,991</u>	<u>101,796</u>

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**BECTON DICKINSON (CME) U.K. LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**10. Interest payable and similar expenses**

	2020 £	2019 £
Bank interest payable	-	1,034
	<u>          </u>	<u>          </u>

**11. Taxation**

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	177,433	137,288
Adjustments in respect of prior periods	(137,102)	8,853
<b>Total current tax</b>	<u>40,331</u>	<u>146,141</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(15,817)	(22,574)
Adjustments in respect of prior periods	4,930	(6,149)
<b>Total deferred tax</b>	<u>(10,887)</u>	<u>(28,723)</u>
<b>Taxation on profit on ordinary activities</b>	<u>29,444</u>	<u>117,418</u>



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**11. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is 19% (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	<u>878,540</u>	<u>609,170</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	166,923	115,742
<b>Effects of:</b>		
Expenses not deductible for tax purposes	465	218
Group relief claimed	(5,771)	(3,901)
Adjustments to tax charge in respect of previous periods	(137,102)	8,853
Adjustments to deferred tax charge in respect of previous periods	-	(6,149)
Adjustments to tax charge in respect of change to average rate	-	2,655
Remeasurement of deferred tax for changes in tax rates	4,929	-
<b>Total tax charge for the year</b>	<u><u>29,444</u></u>	<u><u>117,418</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**12. Intangible assets**

	<b>Computer software £</b>
<b>Cost</b>	
At 1 October 2019	229,209
At 30 September 2020	229,209
<b>Amortisation</b>	
At 1 October 2019	213,702
Charge for the year	13,278
At 30 September 2020	226,980
<b>Net book value</b>	
At 30 September 2020	2,229
At 30 September 2019	15,507

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**13. Tangible fixed assets**

	Plant and machinery £	Fixtures and fittings £	Products on loan £	Total £
<b>Cost or valuation</b>				
At 1 October 2019	268,430	153,453	1,687,819	2,109,702
Additions	-	-	91,112	91,112
Disposals	(268,430)	(153,453)	(97,247)	(519,130)
At 30 September 2020	-	-	1,681,684	1,681,684
<b>Depreciation</b>				
At 1 October 2019	267,971	153,453	1,059,240	1,480,664
Charge for the year on owned assets	459	-	165,715	166,174
Disposals	(268,430)	(153,453)	(75,792)	(497,675)
At 30 September 2020	-	-	1,149,163	1,149,163
<b>Net book value</b>				
At 30 September 2020	-	-	532,521	532,521
At 30 September 2019	459	-	628,579	629,038

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**14. Stocks**

	2020 £	2019 £
Finished goods	<u>2,934,448</u>	<u>1,572,014</u>

An impairment loss of £25,235 (2019: £18,431) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

**15. Debtors**

	2020 £	2019 £
Trade debtors	3,114,624	3,130,100
Amounts owed by group undertakings	9,915,666	6,295,449
Prepayments and accrued income	337,608	53,852
Corporation tax	43,393	352,888
	<u>13,411,291</u>	<u>9,832,289</u>

An impairment loss of £Nil (2019: £Nil) was recognised against trade debtors.

**16. Cash and cash equivalents**

	2020 £	2019 £
Cash at bank and in hand	<u>208,188</u>	<u>75,018</u>

**17. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Trade creditors	5,605	113,084
Amounts owed to group undertakings	7,418,330	2,276,125
Other taxation and social security	669,882	730,482
Other creditors	158,037	22,963
Accruals and deferred income	906,961	1,889,559
	<u>9,158,815</u>	<u>5,032,213</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Deferred taxation**

	2020 £	2019 £
At beginning of year	(41,900)	(70,623)
Charged to the profit or loss	10,887	28,723
<b>At end of year</b>	<b>(31,013)</b>	<b>(41,900)</b>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(41,900)	(42,746)
Short term timing differences	10,887	846
	<b>(31,013)</b>	<b>(41,900)</b>

**19. Share capital**

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
1 (2019: 1) Ordinary share of £1	1	1

**20. Reserves**

**Profit and loss account**

Includes all current and prior period retained profits and losses.

**21. Commitments under operating leases**

At 30 September 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	-	48,745

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**NOTES TO THE FINANCIAL STATEMENTS  
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**22. Related party transactions**

The Company has taken advantage of the exemption in section 33 of Financial Reporting Standard 102 "Related party disclosures" and has not disclosed transactions with group undertakings.

**23. Controlling party**

The Company was under control of Becton Dickinson and Company, a company incorporated in USA, which is the Company's ultimate controlling party.