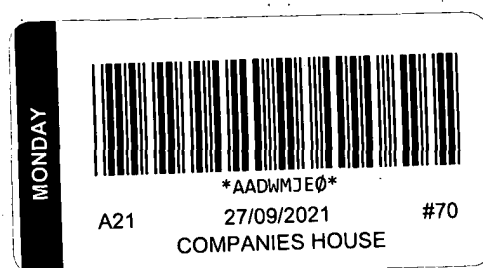


BTG Limited

Annual Report and Financial Statements for the year ended 31 December 2020

Registered Number 02670500



BTG Limited

Annual report for the year ended 31 December 2020

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BTG Limited

Strategic report

Principal activity and review of business

BTG Limited (the 'Company') is a member of the Boston Scientific Corporation Group (the 'BSC Group') comprising Boston Scientific Corporation ('BSC') and its subsidiary undertakings. The principal activity of the Company is as a holding company.

As a result of this the Company is not measured against any key performance indicators and has no strategic objective.

In the year ended 31 December 2020, there was an operating loss of £190.6m (9 months to 31 December 2019: £70.8m loss). The loss in the year arose primarily on the write down of investments and was offset by dividend income of £227.9m from its subsidiary undertakings.

Principal risks and uncertainties

The Company's activities have primarily been the provision of services to fellow subsidiaries of the BSC Group and the Company's performance is therefore dependent upon the requirement for its services and ultimate repayment of amounts due from BSC Group companies.

Section 172 (1) Statement

Section 172 (1) of the Companies Act 2006 provides that a director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the following six factors:

- (a) the likely consequences of any decision in the long term,
- (b) the interests of the company's employees,
- (c) the need to foster the company's business relationships with suppliers, customers and others,
- (d) the impact of the company's operations on the community and the environment,
- (e) the desirability of the company maintaining a reputation for high standards of business conduct, and
- (f) the need to act fairly as between members of the company.

The directors, both individually and together, are aware of this duty and consider that they have acted in accordance of s172 of the Companies Act 2006.

The company is a holding company and is required to prepare an s172 statement as a result of its intermediate parent status. The items reported are specific to the Company, with each subsidiary entity reporting separately.

BTG Limited

Strategic report (continued)

Section 172 (1) Statement (continued)

Matters below summarise how the Directors fulfilled their duty.

Who?	Why?	How?	What?	Outcomes and Actions
Our People	Employee engagement is a key factor in the success of the Company	<p>The Company regularly engages with employees in local site townhall meetings to share and discuss current important information and encourage employee feedback</p> <p>This engagement also occurs at a higher BSC Group level with quarterly business updates and regional meetings</p>	<p>Employee question and answer sessions are held at the end of townhall meeting to address employee concerns</p> <p>BSC also utilises online anonymous surveys to gather more sensitive feedback</p>	Management use the information received from these sessions and surveys to ensure they address employee concerns
Shareholders The Company is a 100% subsidiary of BSC	The acquisition by BSC of the BTG Group comprising BTG Limited and its subsidiary undertakings on 19 August 2019 requires the Company to maximise profitability within the BSC Group	BSC set out a plan to transfer all third party sales activities of the Company to local BSC entities. The aim is to provide greater sales reach in each individual country by leveraging BSC resources	<p>The plan was to initially transfer the distribution of Embolics away from the third party logistics companies (3PL) used by the Company and bring it inhouse to BSC and sell through local BSC Group entities.</p> <p>This was followed by the subsequent transfer of Varithena and TheraSphere later in the year.</p>	Cost reduction by the removal of the existing Company direct sales resources and a greater reach to more customers by using the existing BSC sales and distribution resources.

On behalf of the Board

DocuSigned by:



3FB429D241E84D3...

Jonathan Monson
Director

Registered Office
100 New Bridge Street
London EC4V 6JA

23 September 2021

Registered Number 02670500

BTG Limited

Directors' report

The Directors present their report together with the financial statements and the independent auditor's report for the year ended 31 December 2020. A summary of the financial performance and position of the company is discussed in the strategic report on page 2.

Directors and their interests

The Directors who held office during the year and up to the date of this report are given below:

Jonathan Monson (appointed 28 February 2020)
Vance Brown
Timothy Martel (resigned 28 February 2020)

Directors' remuneration is disclosed in note 6. None of the Directors had an interest in any contract of significance to which the Company or any of its subsidiaries was party to during the year.

Dividend

The Directors declared a dividend of £203.8m during the year (9 months to 31 December 2019: £243.9m).

Political contributions

The Company neither made political donations nor incurred any political expenditure during the year ended 31 December 2020 (9 months to 31 December 2019: £nil).

Sale of the BTG Speciality Pharmaceuticals business

On 1 March 2021, the Company's indirect subsidiary, BTG Management Services Limited, completed the sale of the BTG Speciality Pharmaceuticals business to Stark International Lux S.A.R.L., and SERB SAS, affiliates of SERB, a European specialty pharmaceutical group, for £576.7 million in cash. The sale follows the definitive agreement announced on 1 December 2020. The BTG Speciality Pharmaceuticals business comprises BTG International Healthcare Limited and its subsidiary undertakings, which were indirect subsidiaries of the Company.

Going concern

On the basis of current financial projections and cash resources and facilities available, and after making due enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue to operate for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

In reaching their opinion, the Directors have taken into consideration the impact of COVID-19 on the Company.

Disclosure of information to Auditor

The Directors who held office at the date of approval of this 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 they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

BTG Limited

Directors' report (continued)

COVID-19

In December 2019, the novel strain of coronavirus (SARS-Cov-2), and its disease commonly known as COVID-19, was reported in China and has since widely impacted the global public health and economic environment. In March 2020, the World Health Organization (WHO) declared COVID-19, including all additional variations and strains thereof, a global pandemic (COVID-19 pandemic).

As a holding company with no employees, COVID-19 has not had a direct impact on the Company. The effect on its subsidiary undertakings and hence the performance of Company's investments was as follows.

- *Speciality Pharmaceutical business:* COVID-19 has not had any significant impact on operations other than the need to ensure a safe working environment for the Company's employees. The sale of the business completed on 1 March 2021 as detailed above.
- *Zytiga royalties:* the Company's subsidiary undertaking sold its share of rights to royalties to a third party for a fixed amount that will be recognised in profit or loss over the period that royalties are expected to be received. Consequently, whilst COVID-19 may impact when income is recognised, the absolute value of income recognised is fixed and will not be affected by COVID-19.
- *Other businesses:* As the pandemic spread worldwide and with COVID-19 cases confirmed in all major geographies, many elective and semi-emergent procedures were postponed, enabling hospital staff to focus critical resources on caring for COVID-19 patients. While the majority of procedures using BSC Group products are deferrable, most of the conditions that BSC Group products are used to treat are generally fairly acute and cannot be deferred for extended periods.

The BSC Group continues to focus its efforts on the health and safety of patients, healthcare providers and employees, while executing its mission of transforming lives through innovative medical solutions to improve the health of patients around the world. Since the onset of the COVID-19 pandemic, its global crisis management team has focused on protecting its employees and customers, optimizing its operations and securing its supply chain. The BSC Group successfully implemented business continuity plans including establishing a medical advisory group for employees, leveraging work from home infrastructure to facilitate social distancing and accelerating capabilities to provide remote physician support. While the BSC Group expects the COVID-19 pandemic will continue to negatively impact its 2021 performance to an extent, the Group continues to believe its long-term fundamentals remain strong and it will manage through these challenges with strategic focus and the winning spirit of the global team.

Dividends received and paid after the year end

The Company received and paid a dividend of £505.5m on 25 February 2021, and received and paid a dividend of £625.0m on 1 March 2021.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed reappointed and EY will therefore continue in office.

On behalf of the Board

DocuSigned by:

3FB429D241E84D3...
Jonathan Monson
Director

Registered Office
100 New Bridge Street
London EC4V 6JA

23 September 2021

Registered Number: 02670500

BTG Limited

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Independent auditor's report to the members of BTG Limited

Opinion

We have audited the financial statements of BTG Limited for the year ended 31 December 2020 which comprise the Income statement, the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" 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 company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the Annual Report and Financial Statements other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Financial Statements.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of BTG Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Independent auditor's report to the members of BTG Limited (continued)

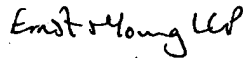
Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 and the Companies Act 2006) and the relevant direct and indirect tax legislation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including those relating to data protection, employees and health and safety.
- We understood how the Company is complying with those frameworks by making enquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas, and corroborated this by reviewing supporting documentation. We also reviewed correspondence with relevant authorities.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override. We incorporated data analytics into our testing of manual journals, including segregation of duties. We tested specific transactions backing to source documentation or independent confirmation, ensuring appropriate authorisation of the transactions.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.



Neil Cullum (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
23 September 2021

BTG Limited

Income statement for the year ended 31 December 2020

	Notes	Year to 31 Dec 2020 £m	9 months to 31 Dec 2019 £m
Operating expenses		-	(20.6)
Acquisition and reorganisation costs		0.2	(44.7)
Write down of investments	9	(190.8)	(5.5)
Operating loss	4	(190.6)	(70.8)
Financial income	7	227.9	303.9
Financial expense	7	(0.1)	(0.5)
Profit before tax		37.2	232.6
Tax credit	8	0.2	5.4
Profit for the period		37.4	238.0

All activity arose from continuing operations.

Statement of comprehensive income for the year ended 31 December 2020

The Company has not recognised income and expense other than those included in the results above, all of which are attributable to equity shareholders.


The notes on pages 13 to 24 form part of these financial statements.

BTG Limited

Statement of financial position as at 31 December 2020

		31 Dec 2020 £m	31 Dec 2019 £m
Assets	Notes		
Non-current assets			
Investments in subsidiaries	9	599.0	789.8
Current assets			
Trade and other receivables	10	93.0	69.2
Cash and cash equivalents		-	0.3
		93.0	69.5
Total assets		692.0	859.3
Equity			
Share capital	12	39.2	39.2
Share premium	12	442.2	442.2
Merger reserve		158.1	317.8
Retained earnings		45.4	52.1
Total equity		684.9	851.3
Current liabilities			
Trade and other payables	11	7.1	8.0
Total liabilities		7.1	8.0
Total equity and liabilities		692.0	859.3

The financial statements were approved by the Board of Directors on 23 September 2021 and were signed on its behalf by:

DocuSigned by:

 Jonathan Monson
 Director

The notes on pages 13 to 24 form part of these financial statements.

Registered Number 02670500

BTG Limited

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

	Share capital £m	Share premium £m	Merger reserve £m	Retained earnings £m	Total equity £m
At 1 Apr 2019	38.7	438.4	317.8	50.9	845.8
Profit for the period	-	-	-	238.0	238.0
Total comprehensive income for the period	-	-	-	238.0	238.0
Transactions with owners:					
Issue of ordinary shares	0.5	3.8	-	-	4.3
Dividends	-	-	-	(243.9)	(243.9)
Movement in shares held by the Employee Share Ownership Trust	-	-	-	(3.9)	(3.9)
Share-based payments	-	-	-	11.0	11.0
	0.5	3.8	-	(236.8)	(232.5)
At 31 Dec 2019	39.2	442.2	317.8	52.1	851.3
Profit for the year	-	-	-	37.4	37.4
Total comprehensive income for the year	-	-	-	37.4	37.4
Transactions with owners:					
Dividends	-	-	-	(203.8)	(203.8)
Transfer of merger reserve on impairment of Biocompatibles International Limited	-	-	(159.7)	159.7	-
	-	-	(159.7)	(44.1)	(203.8)
At 31 Dec 2020	39.2	442.2	158.1	45.4	684.9

The notes on pages 13 to 24 form part of these financial statements.

BTG Limited

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

1 General information

BTG Limited is a company incorporated and domiciled in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 3. The nature of the Company's operations and its principal activities are set out in the Strategic report on page 2.

The financial statements have been prepared in accordance with the accounting policies as described below.

2 Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ('FRS 101'). The financial statements have been prepared under the historical cost convention, as modified to include revaluation to fair value of certain financial instruments as set out below.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

These financial statements are presented in Sterling and all values are stated in millions to one decimal place except where otherwise indicated.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined).
- IFRS 7, 'Financial instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, 'Presentation of financial statements' – comparative information requirements in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16, 'Property, plant and equipment'; and
 - paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for minimum of two primary statements, including cash flow statements);
 - 38B–D (additional comparative information);
 - 111 (cash flow statement information); and
 - 134–136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.

BTG Limited

Notes to the financial statements (continued) for the year ended 31 December 2020

2 Significant accounting policies (continued)

(a) Basis of accounting and preparation of financial statements (continued)

On the basis of current financial projections and cash resources and facilities available, and after making due enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue to operate for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. In reaching their opinion, the Directors have taken into consideration the impact of COVID-19 on the Company.

The Company is exempt by virtue of s401 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.

(b) Foreign currency

Foreign currency transactions
Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Exchange gains/losses on retranslation of foreign currency transactions and balances within trading intercompany balances are recognised in the income statement.

Non-monetary assets and liabilities that are measured at historical cost or stated at fair value are translated using the exchange rate ruling at the date of transaction or the date the fair value was determined.

(c) Investments in subsidiaries

Investments in subsidiaries are carried at cost, less provisions for permanent diminution in value.

(d) Trade and other receivables

Trade and other receivables are stated at amortised cost net of any provisions. Provisions for bad and doubtful debts reflect the value of trade and other receivables to their estimated recoverable amounts based on future expected credit losses.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management and for which the Company has a legal right of set-off are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Cash deposits with a maturity of greater than three months are classified as held to maturity financial assets.

(f) Impairment

All assets are reviewed for impairment when there is an indicator of impairment. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The Company reviews its assets for impairment as follows:

(i) Investments in subsidiaries

Impairment is deemed to arise when there is a significant or prolonged decline in the fair value of the equity instrument. Impairment losses are recognised in the income statement.

BTG Limited

Notes to the financial statements (continued) for the year ended 31 December 2020

2 Significant accounting policies (continued)

(g) Employee benefits

(i) Defined contribution pension plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred. Payments made to state-managed retirement benefit schemes are dealt with in the same manner as payments to defined contribution plans where the Company's obligations under the plans are equivalent to a defined contribution retirement benefit plan. The funds of the schemes are independent of the Company's finances.

(ii) Share-based payments

The share option programme allowed Company employees to acquire shares of BTG Limited, subject to certain criteria. The fair value of options granted was recognised as an expense of employment in the income statement with a corresponding increase in equity. The fair value was measured at the date of grant and spread over the period during which the employees became unconditionally entitled to the options. The fair value of the options granted was measured using a Black-Scholes or stochastic model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense in any period was adjusted to reflect the actual number of share options that vested. However if share options failed to vest due to share prices not achieving the designated performance threshold for vesting, no such adjustment took place.

(h) Trade and other payables

Trade and other payables, except for contingent consideration liabilities, are stated at amortised cost.

(i) Financial expense

Financial expense comprises interest payable during the period, calculated using the effective interest rate method, as well as other financing costs and borrowings.

(j) Tax

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences arising between the carrying value of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss or where, in respect of taxable temporary differences associated with investments in subsidiaries and associates, it is probable that the temporary differences will not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying value of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

BTG Limited

Notes to the financial statements (continued) for the year ended 31 December 2020

2 Significant accounting policies (continued)

(k) Merger reserves

A merger reserve is used where more than 90% of the shares in a subsidiary are acquired and the consideration includes the issue of new shares by the Company, thereby attracting merger relief under s612 and s613 of the Companies Act 2006.

3 Critical accounting judgements

Recoverability of investments

Determining whether investments are recoverable requires an estimation of the fair value less costs to sell of the cash-generating units which represent the fair value of the investment. The fair value less costs to sell calculation requires estimation of future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. There is a risk of material adverse impact on the income statement should an impairment adjustment be required to be reflected in the financial statements.

4 Operating loss

	Year to 31 Dec 2020 £m	9 months to 31 Dec 2019 £m
Operating loss is stated after charging:		
Write down of investments (note 9)	190.8	5.5
Staff costs (note 5)	-	9.1

	Year to 31 Dec 2020 £'000	9 months to 31 Dec 2019 £'000
The analysis of Auditor's remuneration is as follows:		
Audit of the Company's annual financial statements	12	22

5 Staff costs

The average number of persons employed by the Company (including Directors) during the period is analysed below:

	Year to 31 Dec 2020 Number	9 months to 31 Dec 2019 Number
Management	-	6

	Year to 31 Dec 2020 £m	9 months to 31 Dec 2019 £m
The aggregate payroll costs of these persons were as follows:		
Wages and salaries	-	4.4
Social security costs	-	1.6
Share based payment charge	-	3.1
	-	9.1

The share based payment expense included within the staff costs analysis above is an expense related to the grant of share options or share awards in BTG Limited.

The Company offers defined contribution pension schemes for its employees which are operated by external providers. The only obligation of the Company with respect to these schemes is to make the specified contributions.

BTG Limited

Notes to the financial statements (continued) for the year ended 31 December 2020

6 Directors' remuneration

Of the Directors who served during the year, none of the Directors were remunerated by the Company for the year ended 31 December 2020 (9 months to 31 December 2019: ten). The remaining three Directors (9 months to 31 December 2019: two) were remunerated by other BSC Group entities. They did not receive specific remuneration for their role as directors of BTG Limited and no allocation of their remuneration costs has been made for the year (9 months to 31 December 2019: £nil).

Aggregate remuneration of the directors was as follows:

	Year to 31 Dec 2020 £k	9 months to 31 Dec 2019 £k
Aggregate Emoluments	-	1,273
Pension contributions – defined benefit scheme	-	28
Compensation for loss of office	-	4,156
	-	5,457

During the 9 months to 31 December 2019, three directors exercised share options.

During the 9 months to 31 December 2019, one director was a member of the BTG Group defined contribution pension scheme and one director was a member of the BTG Group defined benefit pension scheme.

7 Financial income/ (expense)

	Year to 31 Dec 2020 £m	9 months to 31 Dec 2019 £m
Financial income		
Dividends from subsidiary undertaking	227.9	303.9
Financial expense		
Other financial expense	(0.1)	(0.5)

8 Tax

	Year to 31 Dec 2020 £m	9 months to 31 Dec 2019 £m
Current taxation		
Current period group relief	-	(6.7)
Adjustments in respect of prior periods	(0.2)	(0.2)
Total current taxation credit	(0.2)	(6.9)
Deferred taxation charge	-	1.5
Total tax credit for the period	(0.2)	(5.4)

BTG Limited

Notes to the financial statements (continued) for the year ended 31 December 2020

8 Tax (continued)

Corporation tax in the UK is calculated at 19% of the estimated assessable profit for the period. Corporation tax for the period is different to that arising from applying the standard rate of corporation tax in the UK of 19% (year ended 31 December 2019: 19%). The differences are explained below:

	Year to 31 Dec 2020 £m	9 months to 31 Dec 2019 £m
Profit before tax	37.2	232.6
Tax charge on profit on ordinary activities at 19% (9 months to 31 Dec 2019: 19%)	7.1	44.2
Adjustments in respect of prior years	(0.2)	(0.2)
Adjustments to tax rates	-	(0.2)
Expenditure not deductible for tax purposes	36.2	8.5
Non-taxable dividend income	(43.3)	(57.7)
	(0.2)	(5.4)

The movement on the deferred tax asset is as shown below:

	Year to 31 Dec 2020 £m	9 months to 31 Dec 2019 £m
Deferred tax asset recognised at 1 Jan/1 Apr	-	1.5
Income statement charge	-	(1.5)
Deferred tax asset recognised at 31 Dec	-	-

9 Investments in subsidiaries

	£m
Cost	
At 1 Jan 2020	789.8
Write down of investments	(190.8)
At 31 Dec 2020	599.0

The write down of investments comprises:

- A write down of £19.0m being the capital contribution that had previously arisen on share based payments granted for the benefit of certain subsidiaries held indirectly by the Company which were sold to other BSC Group companies as part of a reorganisation; and
- The write off of the carrying value of the Company's investment in Biocompatibles International Limited of £171.8m, which submitted an application to be struck off on 14 December 2020. The write off was offset by dividend income from Biocompatibles International Limited of £227.9m.

BTG Limited

Notes to the financial statements (continued) for the year ended 31 December 2020

9 Investments in subsidiaries (continued)

Subsidiary investments

Details of subsidiary undertakings, all of which are wholly owned and incorporated in the United Kingdom and registered in England and Wales, unless shown otherwise, are listed below. All subsidiary undertakings have the same reporting date as the Company and operate principally in their country of incorporation.

Direct holdings	Registered Office	Class of capital	Principal activity
BTG International (Holdings) Limited	100 New Bridge Street, London, EC4V 6JA	Ordinary	Investment in Intellectual Property Rights ('IPR') management companies
Provensis Limited	Riverside Way, Watchmoor Park, Camberley, GU15 3YL	Ordinary	Development and commercialisation of IPR
Biocompatibles International Limited ⁴	Chapman House, Farnham Business Park, Weydon Lane, Farnham, Surrey GU9 8QL	Ordinary	Investment holding company
Indirect holdings	Registered Office	Class of capital	Principal activity
Biocompatibles UK Limited	Chapman House, Farnham Business Park, Weydon Lane, Farnham, Surrey GU9 8 QL	Ordinary	Development, management and commercialisation of IPR and manufacture of associated products
BTG International Limited	100 New Bridge Street, London, EC4V 6JA	Ordinary	Development, management and commercialisation of IPR
BTG Management Services Limited	100 New Bridge Street, London, EC4V 6JA	Ordinary	Investment and management of group companies
BTG International Healthcare Limited ¹	15 Canada Square, London, E14 5GL	Ordinary	Investment holding company
Protherics Medicines Development Limited ¹	C/O Collyer Bristow LLP, 140 Brompton Road, Knightsbridge, London, SW3 1HY	Ordinary	Development, management and commercialisation of pharmaceutical IPR
BTG International Healthcare Inc. (Delaware, USA) ¹	300 Four Falls Corporate Center, 300 Conshohocken State Road, Suite 300, West Conshohocken, PA 19428, United States	Common stock	Group financing
Protherics UK Limited ¹	Blaenwaun Ffostrasol, Llandysul, Ceredigion, Wales SA44 5JT	Ordinary	Research, development, manufacture and sale of pharmaceutical products
BTG International Inc. (Delaware, USA) ¹	300 Four Falls Corporate Center, 300 Conshohocken State Road, Suite 300, West Conshohocken, PA 19428, United States	Common stock	Research, development and sale of pharmaceutical products
BTG Australasia Pty Ltd (Australia) ¹	Turretfield Research Centre, 129 Holland Road, Rosedale SA 5350, Australia	Ordinary	Manufacture and sale of pharmaceutical products
PneumRx LLC (Delaware, USA) ²	11911 N. Creek Parkway S., Bothell, Washington 98011, United States	Common stock	Development, manufacture and commercialisation of the PneumRx® Coil System
BTG International Healthcare LLC (Delaware, USA) ^{1,3}	300 Four Falls Corporate Center, 300 Conshohocken State Road, Suite 300, West Conshohocken, PA 19428, United States	Ordinary	Group financing
Protherics Medicines Development Europe B.V. (NL) ¹	Lookade 20, 6041LE, Roermond, Netherlands	Ordinary	Dormant

¹ Companies sold on 1 March 2021 as part of the sale of the BTG Speciality Pharmaceuticals business. See note 15 for further details.

² Dissolved effective 4 February 2021 prior to the sale of the BTG Speciality Pharmaceuticals business.

³ Principal place of business is the UK.

⁴ An application to strike off Biocompatibles International Limited was made on 14 December 2020 and the company dissolved on 23 March 2021

BTG Limited

Notes to the financial statements (continued) for the year ended 31 December 2020

10 Trade and other receivables

	31 Dec 2020	31 Dec 2019
	£m	£m
Amounts due within one year:		
Amounts owed by Group companies	93.0	68.8
Prepayments	-	0.4
	93.0	69.2

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

11 Trade and other payables

	31 Dec 2020	31 Dec 2019
	£m	£m
Amounts falling due within one year:		
Amounts owed to Group companies	6.4	6.8
Other payables	0.6	0.9
Accruals	0.1	0.3
	7.1	8.0

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

12 Share capital and share premium

	Shares Number	Share capital £m	Share Premium £m
Allotted, called up and fully paid			
Ordinary shares of 10p each			
At 1 Apr 2019	387,243,419	38.7	438.4
Issued for cash	5,243,584	0.5	3.8
At 31 Dec 2019 and 31 Dec 2020	392,487,003	39.2	442.2

BTG Limited

Notes to the financial statements (continued) for the year ended 31 December 2020

13 Share-based payments

No share options were issued during the year to 31 December 2020 (9 months to 31 December 2019: none).

All outstanding options at 19 August 2019, the date the Company was acquired by BSC, were exercised on that date.

Details of the plans with share options outstanding at 31 March 2019 are set out below.

Share options

Employees of the Company were entitled to participate in awards, available to all eligible members of the BTG Group, comprising BTG Limited and its subsidiary undertakings, under an equity-settled share option plan that entitled employees to purchase shares in the Company. In accordance with the rules of the plan, options were granted at the market price of the shares on the date of grant with a vesting period of generally three years. They could only be exercised upon the attainment of certain performance criteria. If the options remain unexercised after a period of ten years from the date of grant, the options expired. Furthermore, options were forfeited if the employee left BTG Group before the options vested unless the conditions under which they left were such that they were considered to be a 'good leaver'. In this case their options remained exercisable for a limited period of time.

Sharesave plan

The Company operated an HMRC-approved save-as-you-earn scheme, open to all eligible employees (including executive directors) who opened an approved savings contract, to enable them to purchase shares in the Company. The options were exercisable after three years at a price not less than 80% of the market value of the shares at the date of grant.

Performance share awards

BTG Group had established a performance share scheme for the purpose of making awards, initially to executive directors of the Company. This had been extended to selected members of senior management below Board level. The vesting period was generally three years. Awards were forfeited if the employee left BTG Group before the awards vested, unless the conditions under which they left were such that they were considered to be a 'good leaver'; in which case their award was released following their departure.

Deferred share bonus plan

The Group established a deferred share bonus plan for the purpose of making awards, initially to executive directors of the Company. This had been extended to selected members of senior management below Board level. The shares vested on the third anniversary of the grant date. Awards were forfeited if the employee left BTG Group before the awards vested, unless the conditions under which they left were such that they were considered to be a 'good leaver'; in which case their award was released following their departure, though it may be prorated for time at the discretion of the Remuneration Committee.

BTG Limited

Notes to the financial statements (continued) for the year ended 31 December 2020

13 Share-based payments (continued)

Option pricing

For the purposes of valuing options to arrive at the share-based compensation charge, a Black-Scholes or alternative valuation model was used. No options were granted in the year ended 31 December 2020 or 9 months to 31 December 2019.

Details of options and awards under the Group's share plans are shown in the tables below.

	Number of share options (000)	Year to 31 Dec 2020 Weighted average exercise price (p)	Number of share options (000)	9 months to 31 Dec 2019 Weighted average exercise price (p)
Share options				
Outstanding at 1 Jan/1 April	-	-	668	254.1
Exercised during period	-	-	(668)	254.1
Outstanding at 31 Dec	-	-	-	-
Exercisable at 31 Dec	-	-	-	-

	Number of sharesave options (000)	Year to 31 Dec 2020 Weighted average exercise price (p)	Number of sharesave options (000)	9 months to 31 Dec 2019 Weighted average exercise price (p)
Sharesave plan				
Outstanding at 1 Jan/1 Apr	-	-	10	497.7
Exercised during period	-	-	(6)	518.2
Lapsed during period	-	-	(4)	467.4
Outstanding at 31 Dec	-	-	-	-
Exercisable at 31 Dec	-	-	-	-

BTG Limited

Notes to the financial statements (continued) for the year ended 31 December 2020

13 Share-based payments (continued)

	Year to 31 Dec 2020 Number of share awards (000)	9 months to 31 Dec 2019 Number of share awards (000)
<i>Performance share awards</i>		
Outstanding at 1 Jan/1 Apr	-	1,195
Lapsed during period	-	(105)
Exercised during period	-	(1,090)
Outstanding at 31 Dec	-	-
Exercisable at 31 Dec	-	-
	Year to 31 Dec 2020 Number of share awards (000)	9 months to 31 Dec 2019 Number of share awards (000)
<i>Deferred share bonus plan</i>		
Outstanding at 1 Jan/1 Apr	-	101
Granted during the period	-	95
Exercised during period	-	(190)
Lapsed	-	(6)
Outstanding at 31 Dec/31 Mar	-	-
Exercisable at 31 Dec/31 Mar	-	-

BTG Limited

Notes to the financial statements (continued) for the year ended 31 December 2020

14 Ultimate and immediate parent company

The Company's ultimate parent company is Boston Scientific Corporation ('BSC'), a company is registered in Delaware, USA. The Annual Report and Accounts of BSC are available to the public and may be obtained from 300 Boston Scientific Way, Marlborough, Massachusetts, USA.

The Company's immediate parent is Bravo Bidco Limited, registered in England and Wales.

The parent undertaking of the smallest and largest group to consolidate these financial statements is BSC.

15 Events after the end of the reporting period

Sale of the BTG Specialty Pharmaceuticals business

On 1 March 2021, the Company's indirect subsidiary, BTG Management Services Limited, completed the sale of the BTG Specialty Pharmaceuticals business to Stark International Lux S.A.R.L., and SERB SAS, affiliates of SERB, a European specialty pharmaceutical group, for £576.7 million in cash. The sale follows the definitive agreement announced on 1 December 2020. The BTG Specialty Pharmaceuticals business comprises BTG International Healthcare Limited and its subsidiary undertakings, which were indirect subsidiaries of the Company.

Dividends received and paid

The Company received and paid a dividend of £505.5m on 25 February 2021, and received and paid a dividend of £625.0m on 1 March 2021.