

**SUMMIT MEDICAL LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

Hazlewoods LLP  
Windsor House  
Bayshill Road  
Cheltenham  
GL50 3AT

**SUMMIT MEDICAL LIMITED**

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## **SUMMIT MEDICAL LIMITED**

### **Company Information**

<b>Directors</b>	C P Lee A J Simpson
<b>Registered office</b>	Bourton On The Water Industrial Park Bourton On The Water Cheltenham Gloucestershire GL54 2HQ
<b>Auditors</b>	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

## **SUMMIT MEDICAL LIMITED**

### **Directors' Report for the Year Ended 31 March 2021**

The directors present their report and the financial statements for the year ended 31 March 2021.

#### **Directors of the company**

The directors who held office during the year were as follows:

C P Lee (appointed 21 July 2020)

A J Simpson

#### **Financial instruments**

##### ***Objectives and policies***

The board constantly monitors the company's trading results and revise projections as appropriate to ensure that the company can meet its future obligations as they fall due.

##### ***Price risk, credit risk, liquidity risk and cash flow risk***

The company is exposed to the usual credit and cash flow risks associated with selling on credit and manages this through credit control procedures.

#### **Future developments**

It is believed that continued investment in developing both new products and enhancing existing products, together with particular emphasis on quality, design and customer service will enable the business to maintain and build on its market position.

#### **Going concern**

In accordance with the Financial Reporting Council's 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009', the directors of all companies are now required to provide disclosures regarding the adoption of the going concern basis of accounting.

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

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

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

#### **Reappointment of auditors**

Hazlewoods LLP have expressed their willingness to continue in office.

Approved by the Board on 23 December 2021 and signed on its behalf by:

A J Simpson  
Director

## **SUMMIT MEDICAL LIMITED**

### **Strategic Report for the Year Ended 31 March 2021**

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

#### **Principal activity**

The principal activity of the company is the production and sale of medical devices.

#### **Fair review of the business**

The results for the year, which are set out in the profit and loss account, show turnover of £9,103,121 (2020 - £11,524,039) and an operating loss of £2,455,851 (2020 - £234,547). At 31 March 2021, the company had net assets of £19,553,405 (2020 - £21,422,729). The directors consider the performance for the year and the financial position at the year end to be satisfactory.

The directors have monitored the company's performance against the overall group strategy by reference to certain financial key performance indicators. The targets set for each year are challenging and the directors are satisfied that, in the current economic climate, the performance of the company is solid. Key performance indicators include turnover, gross profit and operating profit which are shown in the profit and loss account.

#### **Principal risks and uncertainties**

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to ongoing compliance with current and future legislation affecting the sector.

Approved by the Board on 23 December 2021 and signed on its behalf by:

A J Simpson  
Director

## **SUMMIT MEDICAL LIMITED**

### **Statement of Directors' Responsibilities**

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

## **SUMMIT MEDICAL LIMITED**

### **Independent Auditor's Report to the Members of Summit Medical Limited**

#### **Opinion**

We have audited the financial statements of Summit Medical Limited (the 'company') for the year ended 31 March 2021, which comprise the Profit and Loss Account, Balance Sheet, 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 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual 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.

## **SUMMIT MEDICAL LIMITED**

### **Independent Auditor's Report to the Members of Summit Medical Limited**

#### **Opinion on other matter 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 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 our 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 and the Directors' Report.

We have nothing to report in respect of the following matters where 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 Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

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.



## **SUMMIT MEDICAL LIMITED**

### **Independent Auditor's Report to the Members of Summit Medical Limited**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and Related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **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.

James Morter (Senior Statutory Auditor)

For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House

Bayshill Road

Cheltenham

GL50 3AT

23 December 2021

# SUMMIT MEDICAL LIMITED

## Profit and Loss Account for the Year Ended 31 March 2021

	Notes	2021 £	2020 £
Turnover	<u>3</u>	9,103,121	11,524,039
Cost of sales		<u>(5,459,248)</u>	<u>(6,344,613)</u>
Gross profit		3,643,873	5,179,426
Distribution costs		(69,860)	(79,793)
Administrative expenses		(6,029,864)	(5,232,994)
Exceptional items	<u>5</u>	<u>-</u>	<u>(101,186)</u>
Operating loss	<u>4</u>	(2,455,851)	(234,547)
Other interest receivable and similar income	<u>6</u>	906,848	705,278
Interest payable and similar charges	<u>7</u>	<u>(638,633)</u>	<u>(425,394)</u>
(Loss)/profit before tax		(2,187,636)	45,337
Taxation	<u>10</u>	<u>318,312</u>	<u>55,713</u>
(Loss)/profit for the financial year		<u><u>(1,869,324)</u></u>	<u><u>101,050</u></u>

The above results were derived from continuing operations.

The company has no other comprehensive income for the year.

**SUMMIT MEDICAL LIMITED**

(Registration number: 04193536)  
 Balance Sheet as at 31 March 2021

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	<u>11</u>	2,361,880	2,501,148
Tangible assets	<u>12</u>	1,656,179	1,848,010
Investments	<u>13</u>	6,107,313	6,107,313
		<u>10,125,372</u>	<u>10,456,471</u>
<b>Current assets</b>			
Stocks	<u>14</u>	1,317,652	1,534,211
Debtors	<u>15</u>	28,020,095	26,593,650
Cash at bank and in hand		424,901	1,450,353
		<u>29,762,648</u>	<u>29,578,214</u>
Creditors: Amounts falling due within one year	<u>16</u>	(1,814,147)	(2,015,171)
Net current assets		<u>27,948,501</u>	<u>27,563,043</u>
Total assets less current liabilities		38,073,873	38,019,514
Creditors: Amounts falling due after more than one year	<u>16</u>	(18,171,111)	(16,502,666)
Provisions for liabilities	<u>10</u>	(349,357)	(94,119)
Net assets		<u>19,553,405</u>	<u>21,422,729</u>
<b>Capital and reserves</b>			
Called up share capital	<u>18</u>	9,851	9,851
Share premium reserve	<u>19</u>	1,070,358	1,070,358
Capital redemption reserve	<u>19</u>	450	450
Profit and loss account	<u>19</u>	18,472,746	20,342,070
Total equity		<u>19,553,405</u>	<u>21,422,729</u>

Approved and authorised by the Board on 23 December 2021 and signed on its behalf by:

A J Simpson  
 Director

The notes on pages 11 to 22 form an integral part of these financial statements.

# SUMMIT MEDICAL LIMITED

## Statement of Changes in Equity for the Year Ended 31 March 2021

	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2020	9,851	1,070,358	450	20,342,070	21,422,729
Loss for the year	-	-	-	(1,869,324)	(1,869,324)
At 31 March 2021	9,851	1,070,358	450	18,472,746	19,553,405

	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2019	9,851	1,070,358	450	20,241,020	21,321,679
Profit for the year	-	-	-	101,050	101,050
At 31 March 2020	9,851	1,070,358	450	20,342,070	21,422,729

The notes on pages 11 to 22 form an integral part of these financial statements.

## **SUMMIT MEDICAL LIMITED**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:  
Bourton On The Water Industrial Park  
Bourton On The Water  
Cheltenham  
Gloucestershire  
GL54 2HQ

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

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.

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

##### **Name of parent of group**

These financial statements are consolidated in the financial statements of Bowmoor Topco Limited.

The financial statements of Bowmoor Topco Limited may be obtained from Companies House.

##### **Group accounts not prepared**

The company has taken advantage of the exemption in section 398 of the Companies Act 2006 from the requirement to prepare consolidated financial statements, on the grounds that it is a small group

##### **Going concern**

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

##### **Judgements**

Preparation of the financial statements requires management to make significant judgements and estimates. The main item in the financial statements where these judgements have been applied is capitalised development costs. Development costs are capitalised when estimated to generate future economic benefit. Apart from this, these financial statements do not contain any significant judgements or estimation uncertainty.

##### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company. The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities.

## SUMMIT MEDICAL LIMITED

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

#### Tax

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

The current 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 taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

#### Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### Depreciation

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold property	Straight line over 50 years
Leasehold improvements	Over the term of the lease
Plant and machinery	Between 20% and 33.33% straight line
Fixtures and fittings	20% straight line
Computer equipment	20% straight line
Hardware	50% straight line

#### Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

## SUMMIT MEDICAL LIMITED

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

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

Development costs are recognised as an intangible asset when a number of criteria are demonstrated. These are the technical feasibility of completing the product so that it will be available for use or sale, the intention to complete the product and use or sell it, the ability to use the product or sell it, how the product will generate probable future economic benefits, the availability of adequate technical, financial and other resources to complete the development and to use or sell the product and the ability to measure reliably the expenditure attributable to the product during development.

#### Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Patents	Straight line over 5 years
Development expenditure	Over useful life from launch of product
Goodwill	Straight line over 20 years

#### Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

#### Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

## **SUMMIT MEDICAL LIMITED**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### **Financial instruments**

##### ***Classification***

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

##### ***Recognition and measurement***

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.



## SUMMIT MEDICAL LIMITED

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### Financial instruments (continued)

##### Impairment

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ('CGUs') of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

#### 3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2021 £	2020 £
Rendering of services	9,103,121	11,524,039

The analysis of the company's turnover for the year by market is as follows:

	2021 £	2020 £
United Kingdom	1,245,985	2,927,467
Rest of Europe	558,409	2,750,560
Rest of world	7,298,727	5,846,012
	9,103,121	11,524,039

#### 4 Operating profit

Arrived at after charging/(crediting):

	2021 £	2020 £
Depreciation expense	315,755	281,627
Amortisation expense	806,870	945,540
Foreign exchange losses/(gains)	117,368	(125,348)
Lease payments	321,528	219,146

## SUMMIT MEDICAL LIMITED

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 5 Exceptional items

	2021 £	2020 £
Exceptional expenses	-	101,186

Exceptional costs in the prior year comprise settlement agreements for outgoing employees, one time regulatory pieces of work and recruitment fees for the new Chief Commercial Officer.

#### 6 Other interest receivable and similar income

	2021 £	2020 £
Interest receivable from group companies	906,600	705,252
Interest income on bank deposits	248	26
	<u>906,848</u>	<u>705,278</u>

#### 7 Interest payable and similar expenses

	2021 £	2020 £
Interest on bank overdrafts and borrowings	-	3
Interest payable to group companies	638,633	425,391
	<u>638,633</u>	<u>425,394</u>

#### 8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021 £	2020 £
Wages and salaries	3,432,059	3,067,146
Social security costs	343,817	299,755
Pension costs, defined contribution scheme	132,530	140,768
	<u>3,908,406</u>	<u>3,507,669</u>

There was no directors remuneration paid during the year (2020 - £nil).

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

	2021 No.	2020 No.
Production	37	44
Selling and distribution	23	24
Administration	34	20
Management	9	12
	<u>103</u>	<u>100</u>

**SUMMIT MEDICAL LIMITED****Notes to the Financial Statements for the Year Ended 31 March 2021****9 Auditors' remuneration**

	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
Fees payable to the Company's auditor for the audit of the Group's annual accounts	<u>24,350</u>	<u>23,100</u>
<b>Other fees to auditors</b>		
Taxation compliance services	10,500	10,500
Other non audit related services	<u>8,400</u>	<u>8,400</u>
	<u><u>18,900</u></u>	<u><u>18,900</u></u>

**10 Taxation**

Tax charged/(credited) in the profit and loss account

	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
<b>Current taxation</b>		
UK corporation tax adjustment to prior periods	(573,550)	(31,993)
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	256,222	(23,720)
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	<u>(984)</u>	<u>-</u>
Total deferred taxation	<u>255,238</u>	<u>(23,720)</u>
Tax receipt in the income statement	<u><u>(318,312)</u></u>	<u><u>(55,713)</u></u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2020 - lower than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
(Loss)/profit before tax	<u>(2,187,636)</u>	<u>45,337</u>
Corporation tax at standard rate	(415,651)	8,614
Effect of expense not deductible in determining taxable profit (tax loss)	6,415	1,129
Decrease in UK and foreign current tax from adjustment for prior periods	(229,261)	(31,993)
Tax increase from effect of capital allowances and depreciation	256,222	69,536
Tax increase from effect of unrelieved tax losses carried forward	35,168	-
Tax decrease arising from group relief	-	(13,200)
Tax decrease from effect of adjustment in research and development tax credit	-	(66,079)
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>28,795</u>	<u>(23,720)</u>
Total tax credit	<u><u>(318,312)</u></u>	<u><u>(55,713)</u></u>

# SUMMIT MEDICAL LIMITED

## Notes to the Financial Statements for the Year Ended 31 March 2021

### Deferred tax

Deferred tax assets and liabilities

	<b>Liability £</b>
<b>2021</b>	
Accelerated capital allowances	381,865
Short term timing differences	(2,556)
	(29,952)
	<u>349,357</u>
	<b>Liability £</b>
<b>2020</b>	
Accelerated capital allowances	96,675
Short term timing differences	(2,556)
	-
	<u>94,119</u>

### 11 Intangible assets

	<b>Goodwill £</b>	<b>Patents £</b>	<b>Development £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 April 2020	12,504,187	861,980	1,912,018	15,278,185
Additions	-	38,457	629,145	667,602
	<u>12,504,187</u>	<u>900,437</u>	<u>2,541,163</u>	<u>15,945,787</u>
At 31 March 2021	12,504,187	900,437	2,541,163	15,945,787
<b>Amortisation</b>				
At 1 April 2020	11,253,636	798,663	724,738	12,777,037
Amortisation charge	625,200	31,126	150,544	806,870
	<u>11,878,836</u>	<u>829,789</u>	<u>875,282</u>	<u>13,583,907</u>
At 31 March 2021	11,878,836	829,789	875,282	13,583,907
<b>Carrying amount</b>				
At 31 March 2021	<u>625,351</u>	<u>70,648</u>	<u>1,665,881</u>	<u>2,361,880</u>
At 31 March 2020	<u>1,250,551</u>	<u>63,317</u>	<u>1,187,280</u>	<u>2,501,148</u>

# SUMMIT MEDICAL LIMITED

## Notes to the Financial Statements for the Year Ended 31 March 2021

### 12 Tangible assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Hardware £	Total £
<b>Cost</b>					
At 1 April 2020	1,168,834	4,162,669	2,195,518	471,364	7,998,385
Additions	-	86,543	37,381	-	123,924
At 31 March 2021	1,168,834	4,249,212	2,232,899	471,364	8,122,309
<b>Depreciation</b>					
At 1 April 2020	532,855	3,365,625	1,780,531	471,364	6,150,375
Charge for the year	21,133	166,819	127,803	-	315,755
At 31 March 2021	553,988	3,532,444	1,908,334	471,364	6,466,130
<b>Carrying amount</b>					
At 31 March 2021	614,846	716,768	324,565	-	1,656,179
At 31 March 2020	635,979	797,044	414,987	-	1,848,010

## SUMMIT MEDICAL LIMITED

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 13 Investments in subsidiaries, joint ventures and associates

	2021 £	2020 £
Investments in subsidiaries	6,107,313	6,107,313
<b>Subsidiaries</b>		<b>£</b>
<b>Cost and carrying amount</b>		
At 1 April 2020 and at 31 March 2021		6,107,313

#### Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2021	2020
<b>Subsidiary undertakings</b>				
Summit Medical UK Limited	England and Wales	Ordinary	100%	100%
Marlux Medical Limited	England and Wales	Ordinary	100%	100%
Summit Medical (Benefits) Limited	England and Wales	Ordinary	100%	100%
Orthodesign Limited	England and Wales	Ordinary	100%	100%
Marshall Contracts Limited	England and Wales	Ordinary	100%	100%

#### Subsidiary undertakings

##### *Summit Medical UK Limited*

The principal activity of Summit Medical UK Limited is the sale and distribution of medical devices.

##### *Marlux Medical Limited*

The principal activity of Marlux Medical Limited is the manufacture, sale and distribution of disposable curtains and window blinds.

##### *Summit Medical (Benefits) Limited*

The principal activity of Summit Medical (Benefits) Limited is as a dormant company.

##### *Orthodesign Limited*

The principal activity of Orthodesign Limited is as a dormant company.

##### *Marshall Contracts Limited*

The principal activity of Marshall Contracts Limited is as a dormant company.

#### 14 Stocks

2021 £	2020 £
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Raw materials and consumables	927,371	994,153
Work in progress	100,340	118,669
Finished goods and goods for resale	289,941	421,389
	<u>1,317,652</u>	<u>1,534,211</u>

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## SUMMIT MEDICAL LIMITED

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 15 Debtors

	2021 £	2020 £
Trade debtors	2,581,700	2,277,479
Amounts owed by group undertakings	24,345,218	23,448,057
VAT	326,770	551,467
Prepayments	315,275	316,647
Corporation tax asset	451,132	-
	<u>28,020,095</u>	<u>26,593,650</u>

#### 16 Creditors

	2021 £	2020 £
<b>Due within one year</b>		
Trade creditors	1,468,066	1,623,406
Social security and other taxes	157,343	138,044
Other creditors	225	-
Accrued expenses	188,513	131,303
Corporation tax liability	-	122,418
	<u>1,814,147</u>	<u>2,015,171</u>
<b>Due after one year</b>		
Amounts owed to group undertakings	<u>18,171,111</u>	<u>16,502,666</u>

#### 17 Pension and other schemes

##### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £132,530 (2020 - £140,768). Contributions totalling £Nil (2020 - £Nil) were payable to the scheme at the end of the year.

#### 18 Share capital

##### Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary shares of £0.01 each	985,100	9,851	985,100	9,851



## SUMMIT MEDICAL LIMITED

### Notes to the Financial Statements for the Year Ended 31 March 2021

#### 19 Reserves

##### Share premium

Includes any premiums received in issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

##### Capital redemption reserve

Represents the amount that the company has transferred from the profit and loss account and is required to retain as a result of repurchasing its own shares. It is a non-distributable reserve.

##### Profit and loss account

Includes all current and prior periods retained profits and losses.

#### 20 Obligations under leases and hire purchase contracts

##### Operating leases

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	191,658	219,463
Later than one year and not later than five years	104,605	247,576
	<u>296,263</u>	<u>467,039</u>

#### 21 Contingent liabilities

At 31 March 2021, there was an unlimited cross-guarantee between Bowmoor Bidco Limited, Summit Medical Group Limited, OrthoD Midco Limited, Summit Medical Limited, Summit Medical UK Limited and Marlux Medical Limited in favour of the Santander UK PLC loan.

#### 22 Financial instruments

##### Categorisation of financial instruments

	2021 £	2020 £
Financial assets measured at amortised cost	27,556,718	27,307,887
Financial liabilities measured at amortised cost	<u>19,967,643</u>	<u>18,257,375</u>

Financial assets measured at amortised cost comprise cash, trade debtors, amounts owed by group undertakings and other debtors at year end.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors and accrued expenses at year end.

#### 23 Parent and ultimate parent undertaking

The company's immediate parent is Summit Medical Group Limited, incorporated in England and Wales.

The ultimate parent is Apposite Capital LLP, incorporated in England and Wales.

The most senior parent entity producing publicly available financial statements is Bowmoor Topco Limited. These financial statements are available upon request from Companies House.

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