

Registered number: 05444645

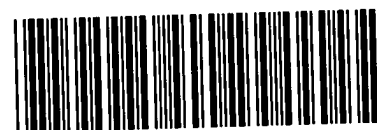
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**ACUMED ACQUISITION COMPANY LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**ACUMED ACQUISITION COMPANY LIMITED**

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**COMPANY INFORMATION**

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**Directors**

N A Hyndman  
N P Ryder  
S Wolfington  
N T Siddiqui

**Registered number**

05444645

**Registered office**

Huebner House  
The Fairground  
Weyhill  
Andover  
Hampshire  
SP11 0QN

**Independent auditor**

Grant Thornton UK LLP  
Chartered Accountants & Statutory Auditor  
The Colmore Building  
20 Colmore Circus  
Birmingham  
B4 6AT

**Solicitors**

Stephenson Harwood LLP  
1 Finsbury Circus  
London  
EC2M 7SH

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**ACUMED ACQUISITION COMPANY LIMITED**

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**ACUMED ACQUISITION COMPANY LIMITED**

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**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Introduction**

The Group strategic report for the year ended 31 December 2019 is set out below.

**Business review**

The directors recognise that the NHS has continued with the policy of large cuts in spending and procurement, this, coupled with strong competitors in the market place and necessary investment in our team members and facilities, is increasing the pressure on pricing and margin. A continued program of investment in new products specifically tailored to the end user's needs, inventory management and further efficiencies throughout the organisation will enable us to grow in our market sector.

**Principal risks and uncertainties**

The group uses various financial instruments, these include intra group balances, cash and various other items, such as trade debtors and trade creditors, that arise directly from its operations. The main purpose of these financial instruments is to finance the group's operations.

The existence of these financial instruments exposes the group to a number of financial risks, which are described in more detail below. The main risks arising from the group's financial instruments are cash flow, credit and currency risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

**Cash flow risk**

The group manages its cash flow risk by the use of intra-group balances.

**Credit risk**

The group seeks to manage credit risk by only selling to reputable and credit worthy customers. New customers have background and credit references checked. Existing customers have their credit limits reviewed on a quarterly basis.

**Currency risk**

The group has a level of exposure on purchases from its ultimate parent company, denominated in US Dollars.

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**ACUMED ACQUISITION COMPANY LIMITED**

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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Financial key performance indicators**

The group monitors performance by reviewing turnover, gross margins and profit or loss before taxation.

Turnover has increased by 3.3% to £12,846,927 due to increased market share, introduction of new products and investment in updating current products.

Gross margin has increased during the year from 48.3% to 48.3% partly due to the continued strength of the dollar but mostly due to a large investment in instrumentation for our core product groups.

The above factors have resulted in a increase in profit before tax from £3,403,876 to £3,472,889

This report was approved by the board on 30 September 2020 and signed on its behalf.

*Niall Hyndman*

**N A Hyndman**  
Director

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**ACUMED ACQUISITION COMPANY LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors present their report and the financial statements for the year ended 31 December 2019.

**Results and dividends**

The profit for the year, after taxation, amounted to £2,786,836 (2018 - £2,742,827).

During the year the company paid a dividend of £8,920,671 (2017: £Nil).

**Directors**

The directors who served during the year were:

N A Hyndman  
N P Ryder  
S Wolfington  
N T Siddiqui

**Going concern**

The directors have prepared cash flow forecasts through to September 2021 which indicate that the group has sufficient funds to meet its obligations as and when they fall due throughout this period.

Accordingly the financial statements have been prepared on a going concern basis.

**Qualifying third party indemnity provisions**

The Company has provided qualifying third party indemnity provisions in respect of the directors who were in force during the year and at the date of the report.

**Matters covered in the strategic report**

The business review and principal risks and uncertainties have been included in the strategic report.

**Post balance sheet events**

The coronavirus pandemic started just prior to submitting our 2019 accounts. Acumed waited several months to ascertain the impact and risks to our business model. As a supplier of medical products, it was imperative that we remain operational and steps were taken to ensure our continued supply of implants were maintained.

A task force was created within the Acumed group to mitigate risks. Local stocks have been raised to cover between 2-3 additional months should the supply chain be affected.

The NHS saw many hospitals reduce access and Acumed worked remotely with its customers ensuring implants for trauma were made readily available. In addition, Acumed worked with trauma centres by contributing full medical instrument sets on long term loans.

Acumed followed closely the government guidelines and all travel and medical education ceased from April. Acumed also operate a high level of elective surgery and the latest forecast for 2020 reflects the reduction in cases. However, investment and in-house medical training has continued in order that we can support both deferred cases and significantly increase its market share in this sector.

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**ACUMED ACQUISITION COMPANY LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Directors' responsibilities statement**

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

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

*In preparing these financial statements, the directors are required to:*

- select suitable accounting policies and then apply them consistently;
- make judgments 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 Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

**Disclosure of information to auditor**

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

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

**Auditor**

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

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**ACUMED ACQUISITION COMPANY LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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This report was approved by the board on 30 September 2020 and signed on its behalf.

*Niall Hyndman*

**N A Hyndman**  
Director





## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACUMED ACQUISITION COMPANY LIMITED**

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### **Opinion**

We have audited the financial statements of Acumed Acquisition Company Limited (the 'company') for the year ended 31 December 2019, set out on pages 10 to 31. 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 Group's and of the parent company's affairs as at 31 December 2019 and of the Group's 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 Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

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

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

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



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACUMED ACQUISITION COMPANY  
LIMITED (CONTINUED)**

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**Conclusions relating to going concern**

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

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

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

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this Auditor's report is not a guarantee that the Group and the parent company will continue in operation.

**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.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACUMED ACQUISITION COMPANY  
LIMITED (CONTINUED)**

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

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

- the information given in the Group 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 Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

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

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

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

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

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

**Responsibilities of directors for the financial statements**

As explained more fully in the Directors' responsibilities statement 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 Group's and the parent 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 Group or the parent company or to cease operations, or have no realistic alternative but to do so.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACUMED ACQUISITION COMPANY  
LIMITED (CONTINUED)**

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Grant Thornton UK LLP*

Natalie Gladwin BSc FCA  
Senior statutory auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Birmingham

30 September 2020

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**ACUMED ACQUISITION COMPANY LIMITED**

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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	Note	2019 £	2018 £
Turnover	4	12,846,927	12,441,357
Cost of sales		(6,594,476)	(6,432,939)
<b>Gross profit</b>		<b>6,252,451</b>	<b>6,008,418</b>
Distribution costs		(1,179,251)	(1,208,842)
Administrative expenses		(1,741,316)	(1,493,212)
<b>Operating profit</b>	5	<b>3,331,884</b>	<b>3,306,364</b>
Interest receivable and similar income	9	132,488	97,512
<b>Profit before taxation</b>		<b>3,464,372</b>	<b>3,403,876</b>
Tax on profit	10	(677,536)	(661,049)
<b>Profit for the financial year</b>		<b>2,786,836</b>	<b>2,742,827</b>
<b>Total comprehensive income for the year</b>		<b>2,786,836</b>	<b>2,742,827</b>

There were no recognised gains and losses for 2019 or 2018 other than those included in the consolidated statement of comprehensive income.

The notes on pages 17 to 31 form part of these financial statements.

**ACUMED ACQUISITION COMPANY LIMITED**  
**REGISTERED NUMBER: 05444645**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	12	863,060	970,025
		<u>863,060</u>	<u>970,025</u>
<b>Current assets</b>			
Stocks	14	7,965,903	7,279,869
Debtors: amounts falling due within one year	15	3,963,552	3,435,497
Cash at bank and in hand	16	3,234,994	11,231,292
		<u>15,164,449</u>	<u>21,946,658</u>
Creditors: amounts falling due within one year	17	(798,010)	(1,553,349)
<b>Net current assets</b>		<u>14,366,439</u>	<u>20,393,309</u>
<b>Total assets less current liabilities</b>		<u>15,229,499</u>	<u>21,363,334</u>
<b>Provisions for liabilities</b>			
<b>Net assets</b>		<u><u>15,229,499</u></u>	<u><u>21,363,334</u></u>
<b>Capital and reserves</b>			
Called up share capital	20	1,000	1,000
Profit and loss account	21	15,228,499	21,362,334
<b>Equity attributable to owners of the parent company</b>		<u><u>15,229,499</u></u>	<u><u>21,363,334</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 September 2020.

*Niall Hyndman*

**N A Hyndman**  
 Director

The notes on pages 17 to 31 form part of these financial statements.

**ACUMED ACQUISITION COMPANY LIMITED**  
**REGISTERED NUMBER: 05444645**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Investments	13	3,375,000	3,375,000
		<u>3,375,000</u>	<u>3,375,000</u>
<b>Current assets</b>			
Cash at bank and in hand	16	148,945	2,568,216
		<u>148,945</u>	<u>2,568,216</u>
Creditors: amounts falling due within one year	17	(4,827)	(2,789)
<b>Net current assets</b>		<u>144,118</u>	<u>2,565,427</u>
<b>Total assets less current liabilities</b>		<u>3,519,118</u>	<u>5,940,427</u>
<b>Net assets excluding pension asset</b>		<u>3,519,118</u>	<u>5,940,427</u>
<b>Net assets</b>		<u><u>3,519,118</u></u>	<u><u>5,940,427</u></u>
<b>Capital and reserves</b>			
Called up share capital	20	1,000	1,000
Profit and loss account	21	3,518,118	5,939,427
		<u>3,519,118</u>	<u>5,940,427</u>

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent company for the year was £6,499,187 (2018: £12,000)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 September 2020.

**N A Hyndman** *Niall Hyndman*  
 Director

The notes on pages 17 to 31 form part of these financial statements.

## ACUMED ACQUISITION COMPANY LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Profit and loss account	Equity attributable to owners of parent company	Total equity
	£	£	£	£
At 1 January 2019	1,000	21,362,334	21,363,334	21,363,334
<b>Comprehensive income for the year</b>				
Profit for the year	-	2,786,836	2,786,836	2,786,836
<b>Total comprehensive income for the year</b>	-	2,786,836	2,786,836	2,786,836
<b>Transactions with owners</b>				
Dividends: Equity capital	-	(8,920,671)	(8,920,671)	(8,920,671)
<b>Total transactions with owners</b>	-	(8,920,671)	(8,920,671)	(8,920,671)
<b>At 31 December 2019</b>	<b>1,000</b>	<b>15,228,499</b>	<b>15,229,499</b>	<b>15,229,499</b>

The notes on pages 17 to 31 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Profit and loss account	Equity attributable to owners of parent company	Total equity
	£	£	£	£
At 1 January 2018	1,000	18,619,507	18,620,507	18,620,507
<b>Comprehensive income for the year</b>				
Profit for the year	-	2,742,827	2,742,827	2,742,827
<b>Total comprehensive income for the year</b>	-	2,742,827	2,742,827	2,742,827
<b>At 31 December 2018</b>	<b>1,000</b>	<b>21,362,334</b>	<b>21,363,334</b>	<b>21,363,334</b>

The notes on pages 17 to 31 form part of these financial statements.



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**ACUMED ACQUISITION COMPANY LIMITED**


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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**


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	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2019	1,000	5,939,427	5,940,427
Profit for the year	-	6,499,187	6,499,187
	-	6,499,187	6,499,187
<b>Total comprehensive income for the year</b>			
<b>Transactions with owners</b>			
Dividends	-	(8,920,496)	(8,920,496)
<b>Total transactions with owners</b>	-	(8,920,496)	(8,920,496)
<b>At 31 December 2019</b>	<b>1,000</b>	<b>3,518,118</b>	<b>3,519,118</b>

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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**


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	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2018	1,000	5,927,427	5,928,427
Profit for the year	-	12,000	12,000
	-	12,000	12,000
<b>Total comprehensive income for the year</b>			
<b>At 31 December 2018</b>	<b>1,000</b>	<b>5,939,427</b>	<b>5,940,427</b>

The notes on pages 17 to 31 form part of these financial statements.

## ACUMED ACQUISITION COMPANY LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £	2018 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	2,786,836	2,742,827
<b>Adjustments for:</b>		
Loss on disposal of fixed assets	63,204	(8,385)
Depreciation of tangible assets	101,471	88,248
Interest received	(132,488)	(97,512)
Taxation charge	677,536	652,664
Increase in stocks	(686,034)	(8,442)
Increase in debtors	(524,396)	(937,857)
(Decrease)/increase in creditors	(767,734)	186,071
Corporation tax paid	(668,800)	(559,386)
<b>Net cash generated from operating activities</b>	<b>849,595</b>	<b>2,058,228</b>
<b>Cash flows from investing activities</b>		
Sale of intangible assets	-	47,800
Purchase of tangible fixed assets	(57,710)	(172,540)
Interest received	132,488	97,512
<b>Net cash from investing activities</b>	<b>74,778</b>	<b>(27,228)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(8,920,671)	-
<b>Net cash used in financing activities</b>	<b>(8,920,671)</b>	<b>-</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(7,996,298)</b>	<b>2,031,000</b>
Cash and cash equivalents at beginning of year	11,231,292	9,200,292
<b>Cash and cash equivalents at the end of year</b>	<b>3,234,994</b>	<b>11,231,292</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	3,234,994	11,231,292
	<b>3,234,994</b>	<b>11,231,292</b>

The notes on pages 17 to 31 form part of these financial statements.

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**ACUMED ACQUISITION COMPANY LIMITED**


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**CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2019**


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	At 1 January 2019 £	Cash flows £	At 31 December 2019 £
Cash at bank and in hand	11,231,292	(7,996,298)	3,234,994
	<u>11,231,292</u>	<u>(7,996,298)</u>	<u>3,234,994</u>

The notes on pages 17 to 31 form part of these financial statements.

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## ACUMED ACQUISITION COMPANY LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1. General information

Acumed Acquisition Company Limited is a limited liability company incorporated in England and Wales. Its registered office address is Huebner House, The Fairground, Weyhill, Andover, Hampshire, SP11 0QN.

The principal activity of the group during the year was the distribution of orthopaedic and medical products to hospitals in the UK and Ireland.

The principal activity of the company is that of a holding company.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The consolidated financial statements are presented in Sterling (£).

The Group financial statements consolidate the financial statements of Acumed Acquisition Company Limited and its subsidiary undertaking drawn up to 31 December each year.

The following principal accounting policies have been applied:

##### 2.2 Basis of consolidation

The consolidated financial statements present the results of the group and its own subsidiaries ("the group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

##### 2.3 Going concern

The directors have prepared cash flow forecasts through to September 2021 which indicate that the group has sufficient funds to meet its obligations as and when they fall due throughout this period.

Accordingly the financial statements have been prepared on a going concern basis.

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**ACUMED ACQUISITION COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)****2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**2.5 Tangible fixed assets**

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

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

Depreciation is provided on the following basis:

Freehold property	- 30 years
Plant & machinery	- 33% straight line
Motor vehicles	- 25% straight line
Office equipment	- 15% straight line
Computer equipment	- 33% straight line

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

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

**2.6 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

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**ACUMED ACQUISITION COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)****2.7 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in first out basis.

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

**2.8 Debtors**

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

**2.9 Financial instruments**

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

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

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

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

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

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

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**ACUMED ACQUISITION COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)**

**2.10 Cash and cash equivalents**

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

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**2.11 Creditors**

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

**2.12 Foreign currency translation**

**Functional and presentation currency**

The company's functional and presentational currency is GBP.

**Transactions and balances**

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated statement of comprehensive income within 'other operating income'.

**2.13 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**2.14 Operating leases: the Group as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

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**ACUMED ACQUISITION COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)**

**2.15 Pensions**

**Defined contribution pension plan**

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

**2.16 Interest income**

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

**2.17 Current and deferred taxation**

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the Group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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



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**ACUMED ACQUISITION COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

The Group's significant accounting policies are stated in Note 2. Not all of these significant policies require the management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policies the management considers critical because of their complexity, judgment and estimation involved in their application and their impact on these consolidated financial statements. Judgments and estimates are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances.

These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

**Impairment of stocks**

Management have reviewed the age of stock, historic and expected demand for each individual line item, and the shelf life of each individual item and included provisions to reflect exposures arising.

**4. Turnover**

All turnover arose within the United Kingdom.

**5. Operating profit**

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

	2019	2018
	£	£
Depreciation of tangible fixed assets	101,471	88,248
Exchange differences	(9,439)	18,788
Other operating lease rentals	28,401	56,562
Loss on disposal of tangible assets	63,204	8,384
	<u>63,204</u>	<u>8,384</u>

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**ACUMED ACQUISITION COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**6. Auditor's remuneration**

	2019 £	2018 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	12,000	11,250
Fees payable to the group's auditor and its associates for the audit of the company's annual financial statements	4,450	4,450
<b>Audit fees</b>	<b>16,450</b>	<b>15,700</b>
Fees payable to the Group's auditor and its associates in respect of non-audit services:		
Corporation taxation compliance	6,000	5,500
Accounting assistance	525	500
Taxation advisory services	-	9,500
	<b>6,525</b>	<b>15,500</b>

**7. Employees**

Staff costs, including directors' remuneration, were as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Wages and salaries	1,619,715	1,377,968	-	-
Social security costs	159,621	176,528	-	-
Cost of defined contribution scheme	99,437	76,785	-	-
	<b>1,878,773</b>	<b>1,631,281</b>	<b>-</b>	<b>-</b>

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

	2019 No.	2018 No.
Directors	2	2
Sales and administration	30	32
	<b>32</b>	<b>34</b>

The company has no employees other than the directors, who did not receive any remuneration (2018 - £NIL)

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**ACUMED ACQUISITION COMPANY LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2019**

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**8. Directors' remuneration**

	2019 £	2018 £
Directors' emoluments	236,315	244,869
Company contributions to defined contribution pension schemes	10,369	10,369
	<u>246,684</u>	<u>255,238</u>

During the year retirement benefits were accruing to no directors (2018 - NIL) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £137,426 (2018 - £142,492).

The value of the group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,369 (2018 - £5,768).

Key management are considered to be the directors whose remuneration is disclosed above.

**9. Interest receivable and similar income**

	2019 £	2018 £
Other interest receivable	<u>132,488</u>	<u>97,512</u>

**10. Taxation**

	2019 £	2018 £
<b>Corporation tax</b>		
Current tax on profits for the year	681,195	657,928
	<u>681,195</u>	<u>657,928</u>
<b>Total current tax</b>	<u>681,195</u>	<u>657,928</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(3,659)	3,121
<b>Total deferred tax</b>	<u>(3,659)</u>	<u>3,121</u>
<b>Taxation on profit on ordinary activities</b>	<u>677,536</u>	<u>661,049</u>

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**ACUMED ACQUISITION COMPANY LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**


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**10. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2018 - *higher than*) the standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	3,464,372	3,403,876
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%)	658,231	646,736
<b>Effects of:</b>		
Expenses not deductible for tax purposes	6,721	13,625
Short term timing difference leading to an increase (decrease) in taxation	12,153	-
Other differences	-	1,503
Difference in tax rates in respect of deferred tax	431	(815)
<b>Total tax charge for the year</b>	<b>677,536</b>	<b>661,049</b>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**11. Dividends**

	2019 £	2018 £
Dividends paid	8,920,671	-
	<b>8,920,671</b>	<b>-</b>

## ACUMED ACQUISITION COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
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## 12. Tangible fixed assets

## Group

	Freehold property £	Plant & machinery £	Motor vehicles £	Office equipment £	Computer equipment £	Total £
<b>Cost</b>						
At 1 January 2019	906,516	21,606	152,979	158,963	69,858	1,309,922
Additions	-	8,517	-	35,871	13,322	57,710
Disposals	-	(2,496)	(89,270)	(12,710)	(9,906)	(114,382)
At 31 December 2019	906,516	27,627	63,709	182,124	73,274	1,253,250
<b>Depreciation</b>						
At 1 January 2019	149,984	15,155	32,143	105,400	37,215	339,897
Charge for the year	20,285	7,699	30,115	24,935	18,437	101,471
Disposals	-	(312)	(31,499)	(9,509)	(9,858)	(51,178)
At 31 December 2019	170,269	22,542	30,759	120,826	45,794	390,190
<b>Net book value</b>						
At 31 December 2019	736,247	5,085	32,950	61,298	27,480	863,060
At 31 December 2018	756,532	6,451	120,836	53,563	32,643	970,025

Included within freehold property is freehold land at a cost of £297,957 (2018: £297,957) which is not depreciated.

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**ACUMED ACQUISITION COMPANY LIMITED**


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FOR THE YEAR ENDED 31 DECEMBER 2019**


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**13. Fixed asset investments****Company**

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 January 2019	3,375,000
At 31 December 2019	<u>3,375,000</u>

**Subsidiary undertaking**

The following was a subsidiary undertaking of the company:

Name	Registered office	Class of shares	Holding
Acumed Limited	United Kingdom	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2019 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves	Profit/(Loss)
Acumed Limited	15,085,556	2,778,145

**14. Stocks**

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Finished goods and goods for resale	<u>7,965,903</u>	<u>7,279,869</u>	<u>-</u>	<u>-</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

The carrying value of stocks are stated net of impairment losses totalling £834,576 (2018 - £741,149).

## ACUMED ACQUISITION COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
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## 15. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	2,366,667	2,139,637	-	-
Amounts owed by group undertakings	1,406,956	1,014,842	-	-
Other debtors	97,183	8,138	-	-
Prepayments and accrued income	86,208	270,001	-	-
Deferred taxation	6,538	2,879	-	-
	<u>3,963,552</u>	<u>3,435,497</u>	<u>-</u>	<u>-</u>

An impairment loss of £26,497 was recognised against trade debtors (2018: £55,959).

## 16. Cash and cash equivalents

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	<u>3,234,994</u>	<u>11,231,292</u>	<u>148,945</u>	<u>2,568,216</u>

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

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade creditors	147,395	87,354	-	-
Amounts owed to group undertakings	-	499,700	2,809	-
Corporation tax	303,468	291,073	2,018	2,789
Taxation and social security	43,921	472,459	-	-
Other creditors	-	14,504	-	-
Accruals and deferred income	303,226	188,259	-	-
	<u>798,010</u>	<u>1,553,349</u>	<u>4,827</u>	<u>2,789</u>

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**ACUMED ACQUISITION COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**18. Financial instruments**

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
<b>Financial assets</b>				
Cash and cash equivalents	3,234,994	11,231,292	148,945	148,945
Financial assets measured at amortised cost	<u>3,870,806</u>	<u>3,162,617</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<u>(450,621)</u>	<u>(789,817)</u>	<u>(2,809)</u>	<u>-</u>

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

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors and accruals.

**19. Deferred taxation**

**Group**

	2019 £	2018 £
At beginning of year	2,879	6,000
Charged to profit or loss	3,659	(3,121)
<b>At end of year</b>	<u><b>6,538</b></u>	<u><b>2,879</b></u>
	Group 2019 £	Group 2018 £
Accelerated capital allowances	368	(7,590)
Short term timing difference	6,170	10,469
	<u><b>6,538</b></u>	<u><b>2,879</b></u>



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**ACUMED ACQUISITION COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**20. Share capital**

	2019 £	2018 £
<b>Authorised, allotted, called up and fully paid</b>		
1,000 (2018 - 1,000) Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

**21. Reserves****Profit & loss account**

The profit and loss account includes all current and prior period retained profits and losses net of dividends paid.

**22. Pension commitments**

The group operates a defined contribution scheme for the benefit of its employees. The assets of the scheme are administered in a separate fund. The pension liability at the year end was £8,919 (2018: £55,959).

**23. Commitments under operating leases**

At 31 December 2019 the Group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	Group 2018 £
Not later than 1 year	6,534	30,936
Later than 1 year and not later than 5 years	-	-
	<u>6,534</u>	<u>30,936</u>

**24. Related party transactions**

The group has taken advantage of the exemption available under section 33 'Related Parties' to not disclose transactions with other wholly owned group companies.

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**ACUMED ACQUISITION COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**25. Post balance sheet events**

The coronavirus pandemic started just prior to submitting our 2019 accounts. Acumed waited several months to ascertain the impact and risks to our business model. As a supplier of medical products, it was imperative that we remain operational and steps were taken to ensure our continued supply of implants were maintained.

A task force was created within the Acumed group to mitigate risks. Local stocks have been raised to cover between 2-3 additional months should the supply chain be affected.

The NHS saw many hospitals reduce access and Acumed worked remotely with its customers ensuring implants for trauma were made readily available. In addition, Acumed worked with trauma centres by contributing full medical instrument sets on long term loans.

Acumed followed closely the government guidelines and all travel and medical education ceased from April. Acumed also operate a high level of elective surgery and the latest forecast for 2020 reflects the reduction in cases. However, investment and in-house medical training has continued in order that we can support both deferred cases and significantly increase its market share in this sector.

**26. Controlling party**

The immediate controlling party is Acumed LLC . Marmon Holdings Inc is the ultimate controlling party by virtue of its interest in the share capital of the Group, for which consolidated financial statements are prepared and is incorporated in the United States of America. This is the largest group of undertakings for which group accounts are drawn up.