

Company Registration No. 00605496 (England and Wales)

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

# SMITH & NEPHEW MEDICAL LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	J.R. Mackinnon S. Carne S.M. Swabey I.C. Melling J. Klemp	(Appointed 1 April 2022) (Resigned 1 April 2022) (Resigned 27 May 2022) (Appointed 27 May 2022)
<b>Company number</b>	00605496 (England and Wales)	
<b>Registered office</b>	PO Box 81 101 Hessle Road Hull HU3 2BN	
<b>Auditor</b>	KPMG LLP 15 Canada Square London E14 5GL United Kingdom	

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# SMITH & NEPHEW MEDICAL LIMITED

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# SMITH & NEPHEW MEDICAL LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The Directors of Smith & Nephew Medical Limited, (the "Company") present their annual report and financial statements for the year ended 31 December 2021.

#### Principal activities

The principal activity of the Company is acting as an agent for T.J.Smith and Nephew,Limited, a fellow Group company.

#### Results and dividends

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

The result for the year after taxation amounted to £nil (2020: £nil). The Directors do not recommend the payment of a dividend for the year ended 31 December 2021 (2020: £nil).

#### Directors

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

S.M. Swabey	(Resigned 1 April 2022)
I.C. Melling	(Resigned 27 May 2022)
J.R. Mackinnon	
S. Carne	(Appointed 1 April 2022)
J. Klemp	(Appointed 27 May 2022)

#### Indemnity

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

#### Political donations

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

#### Supplier payment policy

The Company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The Company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

#### Future developments

Notwithstanding the risks and uncertainties, the Directors do not anticipate any significant change in the activities and results of the Company in the foreseeable future.

#### Risks and uncertainties

The principal risks facing the Company are non-recoverability of intercompany receivables, which would occur if there was a decline in the performance of the underlying other group entities.

# SMITH & NEPHEW MEDICAL LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### Going concern statement

Notwithstanding the ongoing uncertainties arising from the COVID, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reason.

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

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

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

### Auditor


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

### Statement of disclosure to auditor

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

The report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the Board



.....  
S.Carne

**Director**

PO BOX 81

101 Hesse Road

Hull

HU3 2BN

Date: 28 September 2022  
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Company Registration No. 00605496

# **SMITH & NEPHEW MEDICAL LIMITED**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), 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 of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

# SMITH & NEPHEW MEDICAL LIMITED

## INDEPENDENT AUDITOR'S REPORT

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

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#### Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

#### Going concern

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

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

Our conclusions based on this work:

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

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

# SMITH & NEPHEW MEDICAL LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

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

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

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors as to the Company's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

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

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management and those posted to unusual accounts.

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

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

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

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

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.



# SMITH & NEPHEW MEDICAL LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

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

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

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

#### **Directors' report**

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

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

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

# SMITH & NEPHEW MEDICAL LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

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

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

#### Directors' responsibilities

As explained more fully in their statement set out on page 3, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

28 September 2022

#### Auditor's responsibilities

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

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

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

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



.....  
**Nicholas Willis (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

15 Canada Square

Canary Wharf

London

United Kingdom

E14 5GL

Date:..29 September 2022.....

# SMITH & NEPHEW MEDICAL LIMITED

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

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		2021	2020
	Notes	£	£
Profit before taxation		-	-
Taxation	2	-	-
<b>Profit for the financial year</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u>-</u>	<u>-</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The accompanying notes on pages 11 to 14 form part of the financial statements.

# SMITH & NEPHEW MEDICAL LIMITED

## BALANCE SHEET

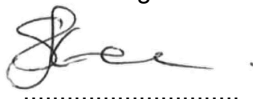
AS AT 31 DECEMBER 2021

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	Notes	2021 £	£	2020 £	£
<b>Current assets</b>					
Debtors	3	80,942,356		87,226,663	
Cash at bank and in hand		153,559		74,508	
		<u>81,095,915</u>		<u>87,301,171</u>	
<b>Creditors: amounts falling due within one year</b>	4	(81,095,815)		(87,301,071)	
Net current assets			100		100
			<u>100</u>		<u>100</u>
<b>Capital and reserves</b>					
Called up share capital	5		100		100
			<u>100</u>		<u>100</u>

The accompanying notes on pages 11 to 14 form part of the financial statements.

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



.....  
S. Carne  
Director

Company Registration No. 00605496

# SMITH & NEPHEW MEDICAL LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

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	Share capital £
<b>Balance at 1 January 2020</b>	100
	—
<b>Year ended 31 December 2020:</b>	
Profit and total comprehensive income for the year	-
	—
<b>Balance at 31 December 2020</b>	100
	—
<b>Year ended 31 December 2021:</b>	
Profit and total comprehensive income for the year	-
	—
<b>Balance at 31 December 2021</b>	100
	=

The accompanying notes on pages 11 to 14 form part of the financial statements.

# SMITH & NEPHEW MEDICAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

Smith & Nephew Medical Limited (the "Company") is a private company incorporated, domiciled and registered in England and Wales. The register number is 00605496 and the registered address is PO BOX 81, 101 Hessle Road, Hull, HU3 2BN.

##### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Smith & Nephew plc. The consolidated financial statements of Smith & Nephew plc are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public at [www.smith-nephew.com](http://www.smith-nephew.com).

##### 1.2 COVID and going concern

Notwithstanding the ongoing uncertainties arising from COVID, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

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

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

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

# SMITH & NEPHEW MEDICAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### 1.3 Financial instruments

The Company has elected to apply the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement (International Financial Reporting Standards, as adopted in the EU), the disclosure requirements of Sections 11 and 12 (FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland) and the presentation requirements of paragraphs 11.38A and 12.25B of FRS 102.

Financial instruments are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

#### 1.4 Equity instruments

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

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

#### 1.5 Taxation

##### *Current tax*

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

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. There were no judgements or estimates which had a significant effect on amounts recognised in the financial statements.

# SMITH & NEPHEW MEDICAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 2 Taxation

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

	2021 £	2020 £
Profit before taxation	-	-
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2020: 19.00%)	-	-
Tax expense for the year	-	-

#### 3 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	865,202	717,519
Amounts due from fellow group undertakings	77,396,212	85,522,418
Other debtors	2,454,841	778,428
Prepayments and accrued income	226,101	208,298
	<u>80,942,356</u>	<u>87,226,663</u>

Amounts due from fellow group undertakings are repayable on demand.

#### 4 Creditors: amounts falling due within one year

	2021 £	2020 £
Loans and overdrafts	75,576	54,314
Trade creditors	4,359,385	2,203,874
Amounts due to fellow group undertakings	74,279,678	83,314,056
Other creditors	2,381,176	1,728,827
	<u>81,095,815</u>	<u>87,301,071</u>

Amounts due to fellow group undertakings are repayable on demand.

#### 5 Share capital

	2021 £	2020 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
100 ordinary shares of £1 each	100	100



# SMITH & NEPHEW MEDICAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2021*

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### **6 Related party transactions**

The companies has taken advantage of the exemption conferred by FRS102 paragraph 33.1A in not disclosing details of transactions with fellow Group undertakings. Amounts due from and to fellow Group undertakings are disclosed in notes 3 and 4 respectively.

### **7 Ultimate parent Company and parent Company of a larger Group**

The Company is a subsidiary of Smith & Nephew Investment Holdings Limited (99%), and Smith & Nephew Nominee Services Limited (1%), both incorporated in England and Wales. The ultimate parent company is Smith & Nephew plc, incorporated in England and Wales. The smallest and largest group in which the results of the Company are consolidated is that headed by Smith & Nephew plc. The consolidated financial statements of the Group is available to the public and may be obtained from the registered office at Building 5, Croxley Park, Hatters Lane, Watford, Hertfordshire, WD18 8YE and from the Company website at [www.smith-nephew.com](http://www.smith-nephew.com).