Company Registration No. 07171675

DEVICOR MEDICAL UK LIMITED

Report and Financial Statements

31 December 2017

DEVICOR MEDICAL UK LIMITED

REPORT AND FINANCIAL STATEMENTS 2017

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DEVICOR MEDICAL UK LIMITED

REPORT AND FINANCIAL STATEMENTS 2017

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A de Lambilly
O Andrich
D Inman

SECRETARY

Jordan Company Secretaries Limited
First Floor
Templeback
10 Temple Back
Bristol
BS1 6FL

BANKERS

HSBC Bank plc
8 Canada Square
London
E14 5HQ

AUDITORS

Ernst & Young LLP
400 Capability Green
Luton LU1 3LU

REGISTERED OFFICE

Suite 1, 3rd Floor
11-12 St James's Square
London
United Kingdom
SW1Y 4LB

STRATEGIC REPORT

REVIEW OF BUSINESS

The principal activity of Devicor Medical UK Limited ("Devicor UK" or "the Company") is the sale of medical devices in the UK. The products are developed and produced by Devicor UK's parent company Devicor Medical Products Inc.; a company incorporated in the United States of America.

The company's key financial and other performance indicators were as follows:

KPI	2017 £000	2016 £000	Change % on annualised basis
Turnover	910	1,020	(11%)
Loss on ordinary activities before tax	(46)	(23)	(100%)

PRINCIPAL RISKS AND UNCERTAINTIES

The company's principal risks and uncertainties lie in the area of product risk and competition from others in the market place. In order to mitigate these risks, the company must ensure that its products are developed to the highest quality in order to ensure reliability to customers. Devicor group is also continually researching and developing its product range in order to stay competitive with other suppliers in the market.

Foreign currency risk

The directors believe although this could be a risk, the company's realised foreign exchange risk is covered by foreign exchange risk management in the US parent undertaking through the use of hedging.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Company policies are aimed at minimising such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company is member of a group cash pooling arrangement to mitigate liquidity risk.

Cash flow risk

Cash flow risk is the risk that inflows and outflows of cash and cash equivalents will not be sufficient to finance day-to-day operations of the company. The company manages cash flow risk by careful negotiation of terms with customers, suppliers and affiliates, to maintain available funds to meet its liabilities as they fall due. The company has no Devicor-external loan debt and accordingly has no significant interest risk.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board and agreed with the parent company are implemented by the company's finance department.

STRATEGIC REPORT (continued)

FUTURE DEVELOPMENTS
The company continues to sell medical devices in the UK and anticipates that it will continue to contribute to the group.

On behalf of the Board

14th September 2018

O Andrich

Director

Date:

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2017.

RESULTS AND DIVIDENDS

The loss for the year after taxation, amounted to £16,401 (2016: £22,960). No ordinary dividends were paid during the year (2016: £nil).

DIRECTORS

The directors who served during the year were as follows:

A de Lambilly
O Andrich
D Inman

GOING CONCERN

The company's business activities together with its performance are set out in the review of the business. In addition the principle risks and uncertainties below include the company's objectives and policies for managing its financial risks.

The company is expected to generate positive cash flows for the foreseeable future, has reasonable financial resources and has an appropriate number of customers. The company is part of the Danaher UK group cash pool arrangement. As part of the group cash pool arrangement, each company has entered into unlimited cross guarantees in respect of bank borrowings with fellow participating companies. The group cash pool arrangement in the UK is also available if the company requires immediate access to cash funds to meet its liabilities as they fall due. The cash position of the UK group as a whole is strong and therefore the company should have access to sufficient operating funds when necessary. As a result, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

DISCLOSURE OF INFORMATION TO AUDITORS

The directors, who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the company's auditors, the directors confirm that:

- to the best their knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware; and
- they have taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

In accordance with s. 485 of the Companies Act 2006 a resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board

14th September 2018

O Andrich
Director
Date:

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable UK 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEVICOR MEDICAL UK LIMITED

Opinion

We have audited the financial statements of Devicor Medical UK Limited for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and the related notes 1 to 18, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- *give a true and fair view of the company's affairs as at 31 December 2017 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 below. 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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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

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 the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEVICOR MEDICAL UK LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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 https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Ernst & Young LLP

Fraser Bull (Senior statutory auditor)
for and on behalf of Ernst & Young LLP
Luton
Date:

19 September 2018

DEVICOR MEDICAL UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2017

	Note	2017 £	2016 £
TURNOVER	3	909,550	1,019,693
Cost of sales		(318,202)	(567,223)
GROSS PROFIT		591,348	452,470
Sales and distribution costs		(155,579)	(172,521)
Administrative expenses		(143,674)	(164,826)
OPERATING PROFIT	4	292,095	115,023
Impairment of investment	11	(203,427)	-
Interest receivable and similar income	6	4,452	-
Interest payable and similar charges	7	(138,890)	(137,983)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(45,770)	(22,960)
Tax on loss on ordinary activities	8	29,369	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(16,401)	(22,960)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		(16,401)	(22,960)

The accompanying notes are an integral part of this statement of comprehensive income.

All activities derive from continuing operations.

DEVICOR MEDICAL UK LIMITED

Registered number 07171675

BALANCE SHEET
At 31 December 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Intangible assets	9	-	-
Tangible assets	10	36,534	32,809
Investments	11	131,363	334,790
Deferred tax assets	8	29,369	-
CURRENT ASSETS		197,266	367,599
Debtors due within one year	12	271,095	186,370
Cash at bank and in hand		1,745,115	1,741,642
		2,016,210	1,928,012
CREDITORS: amounts falling due within one year	13	(2,151,922)	(2,217,656)
NET CURRENT LIABILITIES		(135,712)	(289,644)
NET ASSETS		61,554	77,955
CAPITAL AND RESERVES			
Called up share capital	14	3	3
Share premium account		1,362,445	1,362,445
Profit and loss account		(1,300,894)	(1,284,493)
TOTAL SHAREHOLDERS' FUNDS		61,554	77,955

The accompanying notes are an integral part of this balance sheet.

These financial statements were approved by the Board of Directors on

Signed on behalf of the Board of Directors.

14th September 2018

O Andrich
Director

DEVICOR MEDICAL UK LIMITED

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2017

	Called up share capital £	Share premium account £	Profit and loss account £	Total shareholders' funds £
At 1 January 2016	3	1,362,445	(1,261,553)	100,915
Loss and total comprehensive income for the year	-	-	(22,960)	(22,960)
At 31 December 2016	3	1,362,445	(1,284,493)	77,955
Loss and total comprehensive income for the year	-	-	(16,401)	(16,401)
At 31 December 2017	3	1,362,445	(1,300,894)	61,554

The accompanying notes are an integral part of this statement of changes in equity.

1. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH FRS101

The financial statements of Devicor Medical UK Limited (the "Company" or "Devicor UK") for the year ended 31 December 2017 were authorised for issue by the board of directors on 14 September 2018 and the balance sheet was signed on the board's behalf by Olaf Andrich. Devicor Medical UK Limited is a private company limited by shares and incorporated and domiciled in England and Wales. These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest pound.

The company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as is a wholly owned subsidiary of the Danaher Corporation. The results of Devicor Medical UK Limited are included in the consolidated results of the Danaher Corporation which are available from 2200 Pennsylvania Avenue Suite 800 West, Washington DC 20037, USA.

The principal accounting policies adopted by the Company are set out in note 2.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2017.

The Company has taken advantage of the following disclosure exemptions under FRS 101:
(a) the requirements of IFRS 7 *Financial Instruments: Disclosures.*
(b) the requirements of paragraphs 91-99 of IFRS *13 Fair Value Measurement.*
(c) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  (i) paragraph 79(a)(iv) of IAS 1;
  (ii) paragraph 73(e) of IAS 16 *Property, Plant and Equipment*;
  (iii) paragraph 118(e) of IAS 38 *Intangible Assets;*
(d) the requirements of paragraphs 10(d), 10(f), 38A, 38B, 38C, 38D, 111, and 134-136 of IAS 1 Presentation of Financial Statements;
(e) the requirements of IAS 7 Statement of Cash Flows;
(f) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
(g) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
(h) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

There are no other changes to IFRS effective in 2017 which have a material impact on Devicor Medical UK Limited.

2.3 JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet 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.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

- Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 8.
- Where there are indicators of impairment management performs impairment tests based on fair value less cost to sell or value in use, which includes estimates for example of market prices and the use of discount rates.

2.4 SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

The following criteria must also be met before revenue is recognised:

Sale of goods
Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods.

Interest income
Revenue is recognised as interest accrues using the effective interest method.

Goodwill

Goodwill is initially measured at cost being the excess of the aggregate of the acquisition-date fair value of the consideration transferred and the amount recognised for the non-controlling interest (and where the business combination is achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquire) over the net identifiable amounts of the assets acquired and the liabilities assumed in the exchange for the business combination. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, form the acquisition date, allocated to each of the Company's cash-generating units (or groups of cash generating units) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units. Each unit or group of units to which goodwill is allocated shall represent the lowest level within the entity at which the goodwill is monitored for internal management purposes and not be larger than an operating segment before aggregation.

2.4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goodwill (continued)

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

The UK Companies Act requires goodwill to be reduced by provisions for depreciation on a systematic basis over a period chosen by the directors, its useful economic life. However, under IFRS 3 Business Combinations goodwill is not amortised. Consequently, the company does not amortise goodwill, but reviews it for impairment on an annual basis or whenever there are indicators of impairment. The company is therefore invoking a 'true and fair view override' to overcome the prohibition on the non-amortisation of goodwill in the Companies Act. The company is not able to reliably estimate the impact on the financial statements of the true and fair override on the basis that the useful life of goodwill cannot be predicted with a satisfactory level if reliability, nor can the pattern in which goodwill diminishes be known.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all property, plant and equipment, other than land, on a straight-line basis over its expected useful life as follows

OTL, Demo Units	5 years
Furniture and equipment	3 years

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the de-recognition of the asset is included in the income statement in the period of de-recognition.

Investments

Fixed assets investments are shown at cost less any provision for impairment.

2.4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses on continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

For assets where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined, net of depreciation, had no impairment losses been recognised for the asset or cash generating unit in prior years. A reversal of impairment loss is recognised immediately in the income statement, unless the asset is carried at a revalued amount when it is treated as a revaluation increase.

Foreign currency

The company's financial statements are presented in sterling, which is also the company's functional currency. Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange prevailing at the balance sheet date. All exchange differences are included in the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Leases

Rentals under operating leases (including lease incentives) are charged in the profit and loss account on a straight-line basis over the lease term.

Operating lease expenses are spread over the period of the lease incentive. Leases are classified as either finance or operating lease. Leasing transactions that transfer substantially all the risk and rewards incidental to ownership of the leased asset to the lessee are classified as finance leases. All other leasing arrangements are classified as operating leases.

Pension costs

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

2.4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised; and
- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

Financial instruments

i) Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include cash and short-term deposits, trade and other receivables and intercompany.

2.4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance revenue in the income statement. Losses arising from impairment are recognised in the income statement in other operating expenses.

i) Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Interest bearing loans and borrowings

Obligations for loans and borrowings are recognised when the Company becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost.

De-recognition of financial liabilities

A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

3. TURNOVER AND SEGMENTAL INFORMATION

	2017	2016
	£	£
Sales of goods	909,550	1,019,693
Turnover by destination:		
United Kingdom	909,550	1,019,693

No revenue was derived from the exchanges of goods or services (2016: nil).

4. OPERATING PROFIT

Operating profit is stated after charging / (crediting):

	2017	2016
	£	£
Foreign exchange losses/(gains)	(180,854)	122,764
Auditors remuneration	22,567	36,387
Operating lease rentals – leasing cars	14,617	16,820
Depreciation – owned assets	11,749	2,176

5. STAFF COSTS

a) Staff costs

	2017	2016
	£	£
Staff cost during the year		
Wages and salaries	158,411	170,624
Social security costs	17,102	10,196
Other pension costs	-	5,796
	175,513	186,616

	2017	2016
	No	No
Average numbers of persons employed		
Sales and distribution	2	2
Administration	-	1
	2	3

At the balance sheet date there were no unpaid pension contributions (2016: £28,266) in respect of the defined contribution scheme.

5. STAFF COSTS (continued)

(b) Directors' emoluments

The directors' emoluments are deemed to be wholly attributable to qualifying services to other group companies. Accordingly, these financial statements include no emoluments in respect of the directors (2016: £nil).

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2017	2016
	£	£
On loans given to group entities	4,452	-

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2017	2016
	£	£
On loans owed by group entities	138,890	137,983

8. TAX ON LOSS ON ORDINARY ACTIVITIES

(a) Tax charged to profit or loss in the statement of comprehensive income

	2017	2016
	£	£
Current tax		
UK corporation tax at the standard rate of 19.25% / 20%	-	-
Deferred tax		
Credit to the profit and loss account	(29,369)	-
	-	-
Taxation credit for the year	(29,369)	-

8. TAX ON LOSS ON ORDINARY ACTIVITIES (continued)

(b) Reconciliation of the total tax charge

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 19.25% (2016: 20%). The actual tax charge for the year differs from the standard rate of UK corporation tax for the reasons set out in the following reconciliation.

	2017 £	2016 £
Loss before tax	(45,770)	(22,960)
Tax on loss on ordinary activities at standard UK corporation tax rate of 19.25% (2016: 20%)	(8,809)	(4,592)
Effects of:		
Expenses not deductible for tax purposes	39,291	237
Tax losses utilised	-	-
Movement in unrecognised deferred tax	(50,642)	(80,556)
Changes in tax laws and rates	(276)	(4,240)
Group relief surrendered	(8,933)	89,151
Total tax expense reported in the income statement	(29,369)	-

(c) Change in Corporation Tax rate

The Summer Finance Act 2015 included legislation to reduce the main rate of corporation tax to 19% effective from 1 April 2017.The Finance Act 2016 included legislation to reduce the main rate of corporation tax to 17% effective from 1 April 2020.

Under FRS 101, deferred tax should be measured using the tax rates that are expected to apply to the reversal of the timing differences. As such, deferred tax has been calculated at 19%.

8. TAX ON LOSS ON ORDINARY ACTIVITIES (continued)

(d) Deferred tax

The unrecognized and recognised deferred tax are as follows:

	2017	2016
	£	£
Deferred tax liability (unrecognised)		
	-	-
	-	-
Deferred tax asset (unrecognised)		
Fixed assets	-	5,098
Short term temporary differences	-	12,131
Trade losses	-	33,413
	-	50,642
Deferred tax asset (recognised)		
Fixed assets	7,330	-
Short term temporary differences	6,760	-
Trade losses	15,279	-
	29,369	-
Disclosed on the balance sheet		
Deferred tax asset	29,369	-
Deferred tax liability	-	-

The company has estimated tax losses of £80,000 (2016: £176,000) available to carry forward against future trading profits. Losses have been utilised against trading profits in the current and prior year such that the Directors expect the losses and other temporary differences to be consumed/reverse in the foreseeable future. It is therefore considered appropriate to recognise a deferred tax asset in respect of these items.

9. INTANGIBLE FIXED ASSETS

	2017 £	2016 £
Cost		
At 1 January 2017 and 31 December 2017	590,753	590,753
Amortisation		
At 1 January 2017 and 31 December 2017	(590,753)	(590,753)
Net book value		
At 31 December	-	-
At 1 January	-	-

The Goodwill arose from the acquisition of the former Johnson & Johnson breast-care business by Devicor.

10. TANGIBLE FIXED ASSETS

	Furniture and equipment £	OTL, Demo Units £	Total £
Cost			
At 1 January 2017	2,810	43,272	46,082
Additions	-	15,474	15,474
Disposals	-	-	-
At 31 December 2017	2,810	58,746	61,556
Amortisation			
At 1 January 2017	(2,810)	(10,463)	(13,273)
Charge for the year	-	(11,749)	(11,749)
Disposals	-	-	-
At 31 December 2017	(2,810)	(22,212)	(25,022)
Net book value			
At 31 December 2017	-	36,534	36,534
At 1 January 2017	-	32,809	32,809

11. INVESTMENTS

	2017	2016
	£	£
Devicor Medical Korea Limited	131,363	334,790
	131,363	334,790

As a result of reduced profitability, an impairment loss of £203,427 has been made in the year to reflect the carrying value of the company's investments. The directors believe that the carrying value of the investments is supported by their underlying net assets.

Devicor Medical UK Limited owns shares in its subsidiary, as detailed below:

Name of undertaking	*Country of incorporation*	*Description of shares held*	*% of shares held*
Devicor Medical Korea Limited	Republic of Korea	Ordinary	100

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade debtors	222,412	184,829
Amounts owed by other group undertakings	45,263	1,541
Other debtors	3,420	-
	271,095	186,370

No debtors were falling due after more than one year.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade creditors	4,687	39,751
Amounts owed to other group undertakings	2,021,902	2,017,883
Other taxation and social security	42,339	44,660
Accruals and deferred income	82,994	85,362
	2,151,922	2,217,656

14. CALLED UP SHARE CAPITAL

	2017 £	2016 £
Called up, allotted and fully paid		
3 Ordinary shares of £1 each	3	3

15. GUARANTEES AND OBLIGATIONS UNDER LEASES

Guarantees

The company has provided for the following guarantees at 31 December 2017:

- An unlimited multi-lateral guarantee exists between all the United Kingdom based subsidiaries of Danaher Corporation and HSBC Bank plc.

Obligations under finance leases

The Company does not use finance leases.

Operating lease agreements

Material leasing agreements are two leased cars used by the two sales representatives.
Future minimum rentals payable under non-cancellable operating leases are as follows:

	Leased cars 2017 £	Leased cars 2016 £
Not later than one year	6,315	11,224
After one year but not more than five years	15,261	-
After five years	-	-
Total lease commitments	21,576	11,224

16. PENSION ARRANGEMENTS

Defined contribution schemes

The company operates a defined contribution pension scheme for the benefit of an employee. The assets of the scheme are not held separately from those of the company.

17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is Devicor Medical Products Inc., a company incorporated in the USA.

The ultimate parent undertaking and controlling party is Danaher Corporation, a company incorporated in the USA.

The largest and smallest group in which the results of the company are consolidated is Danaher Corporation, a company incorporated in the USA. The consolidated financial statements of this group are available to the public and may be obtained from 2200 Pennsylvania Avenue, Suite 800 West, Washington DC 20037, USA.

18. RELATED PARTY DISCLOSURES

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.