

Company Registration No. 681251 (England and Wales)

SMITH & NEPHEW (OVERSEAS) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

SMITH & NEPHEW (OVERSEAS) LIMITED

COMPANY INFORMATION

Directors T.J. Allison (Resigned 26 March 2021)
 J.S. Braunhofer (Appointed 26 March 2021)
 S.M. Swabey

Company number 681251

Registered office Building 5
 Croxley Park
 Hatters Lane
 Watford
 Hertfordshire
 WD18 8YE

Auditor KPMG LLP
 15 Canada Square
 London
 United Kingdom
 E14 5GL

SMITH & NEPHEW (OVERSEAS) LIMITED

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SMITH & NEPHEW (OVERSEAS) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors present the strategic report and financial statements for the year ended 31 December 2020.

Review of the business

The principal activity of the Company is that of acting as an investment holding company for the overseas trading companies within the Smith+Nephew Group.

The Company's main source of income is through dividends from subsidiaries and from brand royalties. During the year it received a preference dividend of \$188,222,000 as well as a capital repayment of \$1,770,000,000 following a group restructuring.

The operating profit for the year amounted to \$86,771,000 (2019: \$118,330,000). The profit for the year after taxation was \$391,106,000 (2019: \$118,068,000) which included a cash tax refund of \$67,770,000 following the successful outcome of a tax litigation case. The Directors recommended the payment of an interim dividend of \$550,000,000 for the year ended 31 December 2020 (2019: \$nil).

The results for the year and the financial position at the year end were considered satisfactory by the Directors who expect continued growth in the foreseeable future.

Principal risks and uncertainties

The principal risks facing the Company are a decrease in the recoverable value of the investments in subsidiary undertakings to below cost value, which would occur if there was a decline in the performance of the underlying subsidiaries, and a reduction in the brand royalties received by the Company.

COVID-19 and going concern

The COVID-19 pandemic has, at the time of approving these financial statements, severely impacted the revenues of the Company's subsidiaries due to the postponement of elective surgeries and this uncertainty continues, albeit to a lesser extent. The Company has received a letter of support from its parent company, Smith & Nephew plc, indicating that it will receive the financial and other support necessary for the Company to operate and meet its liabilities as and when they become due for a period of at least twelve months from the date of signing of these financial statements.

After making due enquiries and considering the impact of COVID-19 and the support available from the parent company described above, the directors have a reasonable expectation that the Company has adequate resources to continue in operation for at least 12 months from the date of signing of these financial statements. These considerations included the Smith+Nephew Group's directors' assessment of going concern (as set out in its interim results announcement dated 29 July 2021 and available at <https://www.smith-nephew.com/investor-centre/reporting/current-quarterly-results/>). Accordingly, the financial statements have been prepared on the going concern basis.

S.172 Companies Act 2006 Statement

The Board of Smith & Nephew plc, ultimate parent company of the Company has identified its key stakeholders and in effect also the Group's. It has taken their interests into consideration when making decisions, in accordance with the Directors' section 172 duties of the Companies Act 2006 and the UK Corporate Governance Code 2018. This is noted in detail on pages 102 to 105 within Smith & Nephew Plc's Annual Report and Accounts for the year ended 31 December 2020. As the Company forms part of the Group, the framework adopted by the ultimate parent has been disseminated and applied by the Company as a subsidiary. In addition to this, consideration has been had at the Company specific level. The relevant issues, factors and stakeholders, with whom the Directors have had regard to during the year, are reported in detail on pages 3 to 4.

SMITH & NEPHEW (OVERSEAS) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

On behalf of the Board

S.M. Swabey

S.M. Swabey

Director

Building 5

Croxley Park

Hatters Lane

Watford

Hertfordshire

WD18 8YE

Date *20 September 2021*

SMITH & NEPHEW (OVERSEAS) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors of Smith & Nephew (Overseas) Limited, (the "Company"), present the Directors' report and financial statements for the year ended 31 December 2020.

Principal activities

The principal activity of the Company is that of acting as an investment holding company for the overseas trading companies within the Smith+Nephew Group. The Company has branches in Taiwan and the Philippines.

The Company's main source of income is through dividends from subsidiaries and from brand royalties. As a holding company, the Directors do not consider it necessary to disclose Key Performance Indicators.

Results and dividends

The results for the year are set out page 10.

The profit for the year after taxation amounted to \$391,106,000 (2019: \$118,068,000). The Company paid an interim dividend of \$550,000,000 for the year ended 31 December 2020 (2019: \$nil). The Directors do not recommend the payment of a final dividend.

Directors

The Directors, who served throughout the year and to the date of signing the annual report except as noted, were as follows:

T.J. Allison	(Resigned 26 March 2021)
J.S. Braunhofer	(Appointed 26 March 2021)
S.M. Swabey	

Indemnity

The Company's ultimate parent company, Smith & Nephew plc, has made 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 (2019: \$nil).

Stakeholder Engagement

The Board is aware of an overlap between the Group's key stakeholders and some of the Company's key stakeholders. In those instances, it is felt that the actions driven from Smith & Nephew plc for the Group and its approach to those stakeholders in particular are relevant and therefore should and have been adopted by the Company. This is because in practice, decisions and policies affecting section 172 factors are often taken or made at the group level.

Notwithstanding this, the Board has considered their duties to the Company and its stakeholders. The information below notes the principal stakeholders of the Company and the decisions made by Directors with regard for them.

SMITH & NEPHEW (OVERSEAS) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Suppliers, Customers and Others - Inter Group Companies

The principal stakeholders who are integral to the success of the Company in achieving its purpose are all Smith +Nephew Group companies. The Directors do not therefore consider extensive stakeholder engagement as necessary.

Government and Regulators

The Company operates in a heavily regulated industry and it is imperative to the Company that it continues to act within the scope of all applicable laws and regulations which govern its business and operations.

Both the current Directors are familiar with the relevant laws and regulations applicable to the Company and are aware of their duties under the Companies Act 2006.

In addition, as the Directors are employed by the Group, whilst separate from their role as Board members, their induction and knowledge of the business gained as employees add to their abilities and skills as Directors of the Company. It also means they are subject to a comprehensive suite of mandatory training throughout the year including the Group's Code of Conduct and Business Principles, which sets out the legal and ethical principles for the Company in conducting business.

These factors ensure that the Directors have regard to this Group and its effect of such regard is demonstrated by the Company operating within the scope of all applicable laws and regulations which govern its business and operations as well as maintaining a reputation for high standards of business conduct.

Employees

The Company has no employees.

Future developments

The Directors do not anticipate any significant change in the activities and results of the Company in the foreseeable future.

Going concern statement

Despite the current economic uncertainties arising from the COVID-19 outbreak, the Directors have at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

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.

SMITH & NEPHEW (OVERSEAS) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

On behalf of the Board

S.M. Swabey

S.M. Swabey

Director

Building 5

Croxley Park

Hatters Lane

Watford

Hertfordshire

WD18 8YE

Date: *20 September 2021*

Company Registration No. 681251

SMITH & NEPHEW (OVERSEAS) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors are responsible for preparing the Strategic Report, 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 101 *Reduced Disclosure Framework*.

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

- select suitable accounting policies 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMITH & NEPHEW (OVERSEAS) LIMITED

Opinion

We have audited the financial statements of Smith & Nephew (Overseas) Limited ("the Company") for the year ended 31 December 2020 which comprise the Profit and Loss Account, 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 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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 and inspection of policy documentation as to the Smith & Nephew plc's group policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.

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 external revenue transactions. We did not identify any additional fraud risks.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SMITH & NEPHEW (OVERSEAS) LIMITED

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 (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

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.

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

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.

Strategic report and Directors' report

The directors are responsible for the other information, which comprises the strategic report and the directors' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the strategic report and 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 strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matter 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.

We have nothing to report in these respects.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SMITH & NEPHEW (OVERSEAS) LIMITED

Directors' responsibilities

As explained more fully in their statement set out on page 6, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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.

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.

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.



Zulfikar Walji (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London
United Kingdom
E14 5GL

Date.....20 September 2021

SMITH & NEPHEW (OVERSEAS) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 \$'000	2019 \$'000
Operating income	2	87,915	121,217
Administrative expenses		(1,144)	(2,887)
Operating profit	3	86,771	118,330
Investment income	5	188,222	-
Interest income	6	8,812	1
Profit before taxation		283,805	118,331
Tax on profit	7	107,301	(263)
Profit for the financial year		391,106	118,068

The accompanying notes on pages 15 to 30 form part of the financial statements.

SMITH & NEPHEW (OVERSEAS) LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 \$'000	2019 \$'000
Profit for the year	391,106	118,068
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Exchange differences on branch reserves	(180)	(68)
Total items that will not be reclassified to profit or loss	(180)	(68)
Total other comprehensive loss for the year	(180)	(68)
Total comprehensive income for the year	390,926	118,000

The accompanying notes on pages 15 to 30 form part of the financial statements.

SMITH & NEPHEW (OVERSEAS) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 \$'000	2019 \$'000
Fixed assets			
Intangible assets	9	60	68
Tangible fixed assets		42	-
Investments	10	5,170,002	6,940,002
		<u>5,170,104</u>	<u>6,940,070</u>
Current assets			
Debtors (including \$1,934,248,000 (2019: \$nil) due after more than one year)	11	1,935,902	311,248
Cash at bank and in hand		377	249
		<u>1,936,279</u>	<u>311,497</u>
Creditors: amounts falling due within one year			
Trade creditors and other payables	12	19,306	5,469
Taxation		984	974
Lease liabilities		30	-
		<u>20,320</u>	<u>6,443</u>
Net current assets		<u>1,915,959</u>	<u>305,054</u>
Total assets less current liabilities		<u>7,086,063</u>	<u>7,245,124</u>
Creditors: amounts falling due after more than one year			
Lease liabilities		13	-
Net assets		<u>7,086,050</u>	<u>7,245,124</u>
Capital and reserves			
Called up share capital	14	1,660,146	1,660,146
Share premium account	15	4,133,082	4,133,082
Revaluation reserve	16	1,055,033	1,055,033
Profit and loss account		237,789	396,863
Total equity		<u>7,086,050</u>	<u>7,245,124</u>

SMITH & NEPHEW (OVERSEAS) LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2020

The financial statements were approved by the Board of Directors and authorised for issue on *20 September 2021*
Signed on its behalf by:

S.M. Swabey

S.M. Swabey
Director

Company Registration No. 681251

The accompanying notes on pages 15 to 30 form part of the financial statements.

SMITH & NEPHEW (OVERSEAS) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital \$'000	Share premium account \$'000	Revaluation reserve \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 January 2019	1,660,146	4,133,082	1,055,033	278,863	7,127,124
Profit for the year	-	-	-	118,068	118,068
Other comprehensive loss for the year	-	-	-	(68)	(68)
Total comprehensive income for the year	-	-	-	118,000	118,000
Balance at 31 December 2019	1,660,146	4,133,082	1,055,033	396,863	7,245,124
Profit for the year	-	-	-	391,106	391,106
Other comprehensive loss for the year	-	-	-	(180)	(180)
Total comprehensive income for the year	-	-	-	390,926	390,926
Dividends	-	-	-	(550,000)	(550,000)
Balance at 31 December 2020	1,660,146	4,133,082	1,055,033	237,789	7,086,050

The accompanying notes on pages 15 to 30 form part of the financial statements.

SMITH & NEPHEW (OVERSEAS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Smith & Nephew (Overseas) Limited (the "Company") is a private company limited by shares. The Company is incorporated, domiciled and registered in England in the United Kingdom. The registered number is 681251 and the registered address is Building 5, Croxley Park, Hatters Lane, Watford, Hertfordshire, WD18 8YE. The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare Group financial statements. These financial statements present information about the Company as an individual undertaking and not about its Group.

1.1 Accounting convention

The financial statements are have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards (IFRS) adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- 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 Intangibles Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- 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; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

The financial statements are prepared in US Dollar, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to nearest thousand, except when otherwise indicated.

Where required, equivalent disclosures are given in the Group accounts of Smith & Nephew plc. The Group accounts of Smith & Nephew plc are available to the public at its registered office at Building 5, Croxley Park, Hatters Lane, Watford, Hertfordshire, WD18 8YE and can also be obtained online via www.smith-nephew.com.

SMITH & NEPHEW (OVERSEAS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

i) Adopted IFRS not yet applied

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Company has not early adopted them in preparing these consolidated financial statements. These are not expected to have a significant impact on adoption.

COVID-19 and going concern

Notwithstanding the current economic uncertainties arising from the COVID-19 outbreak, 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.

1.2 Investments in subsidiaries

Fixed asset investments are stated at cost less impairment.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost and, except for freehold land, are depreciated over their useful economic lives. Freehold and long-leasehold buildings are depreciated on a straight-line basis at between 2% and 5% per annum. Short-leasehold land and buildings (leases of under 50 years) are depreciated by equal annual instalments over the term of the lease. Plant, equipment and vehicles are depreciated over lives ranging between 3 and 20 years by equal annual instalments to write down the assets to their estimated disposal value at the end of their working lives.

The useful lives and residual values of all property, plant and equipment are reviewed each financial year end, and where adjustments are required these are made prospectively.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.4 Intangible assets

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over the useful life of the patent.

SMITH & NEPHEW (OVERSEAS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.5 Impairment of tangible and intangible assets

At each reporting end date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Company is exempt under FRS 101 from the disclosure requirements of IFRS 13.

1.7 Operating income

Operating income is derived from royalty income and is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.8 Investment income

Investment income is measured at the fair value of the consideration received or receivable. It represents dividend income which is recognised when the right to receive payment is established.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

SMITH & NEPHEW (OVERSEAS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.10 Financial assets

Financial assets are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss (FVTPL), which are measured at fair value.

Loans and receivables

Trade Debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.11 Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Company's obligations are discharged, cancelled, or they expire.

1.12 Equity instruments

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

SMITH & NEPHEW (OVERSEAS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.13 Taxation

The tax expense for the year comprises current tax and deferred tax.

Current tax

The current income tax expense is based on taxable profits of the period, after any adjustments for the prior periods. 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.

Deferred tax

Deferred tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid, using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

1.14 IFRS 16 Leases

The assessment of whether a contract is or contains a lease takes place at the inception of the contract. The assessment involves whether the Company obtains substantially all the economic benefits from the use of that asset and whether the Company has the right to direct the use of the asset. The Company allocates the consideration in the contract to each lease and non-lease component. The non-lease component, where it is separately identifiable, is not included in the right-of-use asset.

The Company leases many assets including properties, motor vehicles and office equipment. The Company availed itself of the exemptions for short-term leases and leases of low-value items for leases other than those for properties and motor vehicles. The use of these exemptions does not have a material impact.

The Company recognises a right-of-use asset and a lease liability at the commencement of the lease. The right-of-use asset is initially measured based on the present value of lease payments that are not paid at the commencement date plus initial direct costs less any incentives received. The lease payments are discounted using an incremental borrowing rate which is country-specific and reflective of the lease term. The right-of-use asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The right-of-use asset is subject to impairment testing if there is an impairment indicator. The right-of-use assets are included in the balance sheet heading 'Tangible fixed assets'.

The lease liability is initially measured at the present value of lease payments, as outlined above, and is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or as appropriate, changes in the assessment of whether an extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. The lease liabilities are included in the balance sheet headings 'Obligations under finance leases'.

1.15 Foreign exchange

Transactions in foreign currencies are recorded at the rates of exchange prevailing at the dates of the transaction. Monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

1.16 Accounting Estimates

The key accounting estimate surrounds the impairment of intercompany receivables. Any intercompany receivable balances that are deemed irrecoverable will be written off through the Profit and Loss account.

SMITH & NEPHEW (OVERSEAS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.17 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. The following judgements have had the most significant effect on amounts recognised in the financial statements.

Impairment of non-financial assets

Where there are indicators of impairment of investments in subsidiaries which indicate that the carrying value may not be recoverable, the Company performs impairment tests on these investments based on the fair value by comparing the carrying value with its recoverable amount being the higher of its fair value less costs to sell and its value in use.

2 Operating income

An analysis of the Company's operating income is as follows:

	2020 \$'000	2019 \$'000
Royalty income	87,915	121,217
	<u>87,915</u>	<u>121,217</u>

3 Profit for the year

	2020 \$'000	2019 \$'000
Profit for the year is stated after charging/(crediting):		
Net foreign exchange gain	(158)	(89)
Amortisation of intangible assets	8	8
	<u>8</u>	<u>8</u>

4 Auditor's remuneration

Audit fees of \$16,000 (2019: \$12,000) have been borne by a fellow Group company.

5 Investment income

	2020 \$'000	2019 \$'000
Income from fixed asset investments		
Dividends received	188,222	-
	<u>188,222</u>	<u>-</u>

SMITH & NEPHEW (OVERSEAS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Interest income

	2020 \$'000	2019 \$'000
Interest receivable from group undertakings	5,261	1
Interest on tax overpaid	3,551	-
	<u>8,812</u>	<u>1</u>

7 Tax on profit

	2020 \$'000	2019 \$'000
Current tax:		
Current year	4,133	977
Adjustments in respect of prior years	(69,249)	(714)
	<u>(65,116)</u>	<u>263</u>
Deferred tax		
Current year	(42,185)	-
	<u>(42,185)</u>	<u>-</u>
Total tax (credit)/charge	<u>(107,301)</u>	<u>263</u>

The (credit)/charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2020 \$'000	2019 \$'000
Profit before taxation	<u>283,805</u>	<u>118,331</u>
Tax on profit at standard UK tax rate of 19.00% (2019 - 19.00%)	<u>53,923</u>	<u>22,483</u>
Effects of:		
Income not taxable	(35,920)	-
Losses not previously recognised	(46,607)	-
Adjustment in respect of prior years	(69,249)	(714)
Effects of group relief / other reliefs	(10,494)	(22,199)
Non-deductible / non taxable items	1,044	115
Deemed income for tax purposes	2	578
Total adjustments	<u>(161,224)</u>	<u>(22,220)</u>
Tax (credit)/charge for the year	<u>(107,301)</u>	<u>263</u>

For the year ended 31 December 2020, the corporation tax rate was 19.00% (2019: 19.00%).

SMITH & NEPHEW (OVERSEAS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

(Continued)

7 Tax on profit

The company has unrecognised capital losses of \$14m gross (\$3m net) available for offset against future profit.

UK tax litigation

Following the successful outcome during the year of litigation relating to the UK tax deductibility of historic foreign exchange losses by the Company and other members of the Smith+Nephew Group, the Company received a cash tax refund of \$68m in addition to accrued interest of \$4m in respect of tax previously overpaid. A deferred tax asset of \$42m has been recognised in respect of the losses not yet utilised. Full benefit for these deductions has been recognised in the Company's financial statements (no tax benefit for these losses was recognised in previous periods) within current tax, and within deferred tax to the extent that losses not yet utilised are reasonably expected to be realised in the future.

8 Dividends	2020 per share	2019 per share	2020 \$'000	2019 \$'000
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Amounts recognised as distributions to equity holders:

ordinary shares

Interim dividend paid	0.76	-	550,000	-
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9 Intangible fixed assets

Patents and brand royalties \$'000

Cost

At 1 January 2019	10,300
At 31 December 2019	10,300
At 31 December 2020	10,300

Amortisation/impairment

At 1 January 2019	10,224
Charge for the year	8
At 31 December 2019	10,232
Charge for the year	8
At 31 December 2020	10,240

Carrying amount

At 31 December 2020	60
At 31 December 2019	68

SMITH & NEPHEW (OVERSEAS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

10 Investments

	2020 \$'000	2019 \$'000
Investments in subsidiaries	5,170,002	6,940,002
	<u>5,170,002</u>	<u>6,940,002</u>
Movements in fixed asset investments		
		Shares in fellow subsidiary undertakings \$'000
Cost		
At 1 January 2019 and 31 December 2019		6,940,002
Disposals		(1,770,000)
At 31 December 2020		<u>5,170,002</u>
Impairment		
At 1 January 2020 and 31 December 2020		<u>-</u>
Carrying amount		
At 31 December 2020		<u>5,170,002</u>
At 31 December 2019		<u>6,940,002</u>

During the year, the Company received a capital repayment of \$1,770,000,000 in relation its investment in Smith & Nephew ARTC Limited which was put into liquidation on 18 August 2020.

SMITH & NEPHEW (OVERSEAS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Debtors

	Due within one year		Due after one year	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Trade debtors	1	-	-	-
Other receivables	10	14	-	-
Deferred taxation	-	-	42,185	-
Amount due from parent undertaking	-	304,503	1,892,063	-
Amounts due from fellow group undertakings	1,643	6,731	-	-
	<u>1,654</u>	<u>311,248</u>	<u>1,934,248</u>	<u>-</u>

Allowance losses on amounts owed by fellow group undertakings are calculated by reviewing 12-month expected credit losses using historic and forward-looking data on credit risk. The loss allowance expense for the year was \$nil (2019: \$nil).

12 Trade creditors and other payables

	2020 \$'000	2019 \$'000
Trade creditors	208	222
Amounts due to fellow group undertakings	18,770	5,221
Other creditors	328	26
	<u>19,306</u>	<u>5,469</u>

13 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the current and prior reporting period.

	Tax losses \$'000
Deferred tax asset at 1 January 2019 and 1 January 2020	-
Deferred tax movements in current year	
Credit to profit and loss account	42,185
Deferred tax asset at 31 December 2020	<u>42,185</u>

The deferred tax asset arose as a result of the successful outcome of tax litigation regarding the deductibility of historic foreign exchange losses.

For the year ended 31 December 2020 the corporation tax rate was 19% (2019: 19%). On 10 June 2021, the Finance Act 2021 was enacted increasing the UK corporation tax rate to 25% from 1 April 2023. The impact of the rate change would be to increase the deferred tax asset by \$4,367,000.

SMITH & NEPHEW (OVERSEAS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

14 Share capital	2020	2019
	\$'000	\$'000
Ordinary share capital Issued and fully paid		
764,727,549 (2019: 764,727,549) ordinary shares of £1 each	1,660,146	1,660,146
	<u> </u>	<u> </u>
15 Share premium account		\$'000
At 31 December 2019 & 31 December 2020		4,133,082
		<u> </u>
16 Revaluation reserve		\$'000
At 31 December 2019 & at 31 December 2020		1,055,033
		<u> </u>
17 Financial commitments, guarantees and contingent liabilities		

The Company, together with Smith & Nephew plc and certain fellow subsidiary undertakings, has entered into guarantees with the National Westminster Bank plc in respect of the net overdrafts of the other parties to the guarantee. At 31 December 2020, the maximum exposure under this guarantee amounts to £10 million (2019: £10 million).

SMITH & NEPHEW (OVERSEAS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

18 Subsidiaries and other related undertakings

These financial statements are separate company financial statements for Smith & Nephew (Overseas) Limited.

In accordance with Section 409 of the Companies Act 2006, a full list of subsidiaries and related undertakings is given below.

Company Name	Registered office address	Proportion of ownership interest (%)
Adler Mediequip Private Limited (2)	Podium Floor Tower 4, World Trade Centre S No1 Kharadi, Pune, Maharashtra-MH,411014, India	100.00
ArthroCare Belgium SPRL (2)	Hector Henneaulaan 366, 1930 Zaventem, Belgium	100.00
ArthroCare Corporation (2)	The Corporation Trust Company, C T Center, 1209 Orange Street, Wilmington, Delaware, 19801, USA	100.00
ArthroCare Costa Rica Srl (2)	Building B32, 50 meters South of Revisión Técnica Vehicular, De Alajuela, San José, Costa Rica	100.00
ArthroCare India Medical Device Private Limited (2) (in Liquidation)	c/o Smith & Nephew Healthcare Pvt. Limited, 501-B Dynasty Business Park, Andheri Kurla Road, Andheri	100.00
ArthroCare Luxembourg Sarl (2)	163, rue de Kiem, L-8030 Strassen, Luxembourg	100.00
ArthroCare Medical Devices (Beijing) Co. Limited (2) (in liquidation)	Room 17-021, Internal B17 floor, B3-24th floor, No 3 Xin Yuan South Rd, Chao Yang, Beijing, China	100.00
Atracsys Sarl (2)	Route du Verney 20, 1070, Puidoux, Switzerland	100.00
Ceterix Orthopaedics, Inc. (2)	CT Corporation, 1209 Orange Street, Wilmington DE 19801, USA	100.00
Bioventus LLC (2)	The Corporation Trust Company, C T Center, 1209 Orange Street, Wilmington, Delaware, 19801, USA	47.62
Blue Belt Holdings, Inc. (2)	The Corporation Trust Company, C T Center, 1209 Orange Street, Wilmington, Delaware, 19801, USA	100.00
Blue Belt Technologies UK Limited (2)	Building 5, Croxley Park, Hatters Lane, Watford, Hertfordshire, WD18 8YE	100.00
Blue Belt Technologies, Inc. (2)	CT Corporation, 1515 Market Street, Philadelphia PA 19102, United States	100.00
CRES Holdings, Inc	850 New Burton Road, Suite 201, City of Dover, County of Kent DE 19904, USA	0.99
DC LLC (2)	8/1 Stroiteley Street, 142290, City of Puschino, Moscow Region, Russian Federation	100.00
Healicoil Inc (2)	The Corporation Trust Company, C T Center, 1209 Orange Street, Wilmington, Delaware, 19801, USA	100.00
Hipco, Inc. (2)	The Corporation Trust Company, C T Center, 1209 Orange Street, Wilmington, Delaware, 19801, USA	100.00
Leaf Healthcare, Inc. (2)	The Corporation Trust Company, C T Center, 1209 Orange Street, Wilmington, Delaware, 19801, USA	100.00

SMITH & NEPHEW (OVERSEAS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

18 Subsidiaries and other related undertakings		(Continued)
Memphis Biomed Ventures I, L.P. (2)	160 Greentree Drive, Suite 101, Dover, Kent, DE 19904, USA	4.60
Miach Orthopaedics (2)	c/o Martha Murray, 19 Saddlebrook Road, Sherborn, MA 01770, USA	10.30
Oratec Interventions, Inc. (2)	The Corporation Trust Company, C T Center, 1209 Orange Street, Wilmington, Delaware, 19801, USA	100.00
Orthopaedic Biosystems Ltd., Inc. (2)	CT Corporation System, 3800 North Central Avenue, Suite 460, Phoenix AZ 85012, United States	100.00
Osteobiologics, Inc. (2)	The Corporation Trust Company, C T Center, 1209 Orange Street, Wilmington, Delaware, 19801, USA	100.00
Plus Orthopedics (Beijing) Co., Ltd (2)	22 Linhe Avenue, Linhe Economic Development Zone, Shunyi District, Beijing, 101300 China	100.00
Plus Orthopedics Holding AG (2)	Theilerstrasse 1A, 6300, Zug, Switzerland	100.00
Plus Orthopedics LLC (2)	The Corporation Trust Company, C T Center, 1209 Orange Street, Wilmington, Delaware, 19801, USA	100.00
Rotation Medical, Inc. (2)	The Corporation Trust Company, C T Center, 1209 Orange Street, Wilmington, Delaware, 19801, USA	100.00
S&N Holdings SAS (2)	Calle 100 No. 7 - 33 to 1 P3, Bogota D.C., 00000, Colombia	100.00
Sinopsys Surgical, Inc. (2)	The Corporation Trust Company, C T Center, 1209 Orange Street, Wilmington, Delaware, 19801, USA	1.44
Smith & Nephew (Alberta) Inc (2)	3500-855-2 Street SW, Calgary, Alberta, T2P 4J8, Canada	100.00
Smith & Nephew (Europe) B.V. (2)	Bloemlaan 2, 2132NP, Hoofddorp, Netherlands	100.00
Smith & Nephew (Pty) Limited (2)	30 The Boulevard, Westway Office Park, Westville, 3629, South Africa	100.00
Smith & Nephew A/S (2)	Slotsmarken 14, Hoersholm, DK-2970, Denmark	100.00
Smith & Nephew AG (2)	Oberneuhofstrasse 10d, Baar, 6340, Switzerland	100.00
Smith & Nephew Aktiebolag (2)	PO Box 143, S-431 22 Molndal, Sweden	100.00
Smith & Nephew Argentina S.R.L. (1) (2)	Maipu 1300, 13th Floor, City of Buenos Aires, Argentina	100.00
Smith & Nephew ARTC Limited (1) (2)	Building 5, Croxley Park, Hatters Lane, Watford, Hertfordshire, WD18 8YE	100.00
Smith & Nephew AS (2)	Nye Vakas vei 64, 1395, Hvalsted, Norway	100.00
Smith & Nephew B.V. (2)	Bloemlaan 2, 2132NP, Hoofddorp, Netherlands	100.00
Smith & Nephew Beijing Holdings Limited (2)	Unit 813-816, 8/F Delta House, 3 On Yiu Street, Shatin New Territories, Hong Kong	100.00
Smith & Nephew Business Services Gmbh & Co KG (2)	Friesenweg 4, Haus 21, 22763, Hamburg, Germany	100.00
Smith & Nephew Business Services Verwaltungs Gmbh (2)	Friesenweg 4, Haus 21, 22763, Hamburg, Germany	100.00
Smith & Nephew China Holdings UK Limited (2)	Building 5, Croxley Park, Hatters Lane, Watford, Hertfordshire, WD18 8YE	100.00
Smith & Nephew Chusik Hoesia (2)	13F, ASEM Tower, 517, Yeongdong-daero, Gangnam-gu, Seoul, 06164, Republic of Korea	100.00
Smith & Nephew Colombia SAS (2)	Calle 100 No. 7 - 33 to 1 P3, Bogota D.C., Colombia	100.00

SMITH & NEPHEW (OVERSEAS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

18 Subsidiaries and other related undertakings

(Continued)

Smith & Nephew Comercio de Produtos Medicos LTDA (2)	Avenida do Cafe, 277 Centro Empresarial, Torre B, 4 Andar, Conjunto 403, Jabaquara, Sao Paulo, CEP 04	100.00
Smith & Nephew Consolidated, Inc. (2)	c/o The Corporation Trust Company, C T Center, 1209 Orange Street, Wilmington, Delaware, 19801, USA	100.00
Smith & Nephew Curacao N.V. (2)	Pietermaai 15, PO Box 4905, Curacao	100.00
Smith & Nephew Deutschland (Holding) GmbH (2)	Friesenweg 4, Haus 21, 22763, Hamburg, Germany	100.00
Smith & Nephew Finance Ireland Limited (2)(in Liquidation)	3rd Floor, Kilmore House, Park Lane, Spencer Dock, Dublin 1, Ireland	100.00
Austin Miller Trauma LLC (2)	C T Corporation, 1209 Orange Street, Wilmington, DE 19801, USA	100.00
MiJourney, LLC (2)	63 Burke Road, Cranberry Township, Butler County PA 16066, USA	100.00
Osiris Therapeutics, Inc. (2)	7015 Albert Einstein Dr., Columbia, Howard County MD 21046' USA	100.00
S&N Orion Prime, S.A. (2)	Rua Pedro Nunes, Instituto Pedro Nunes, Edificio IPN-C, 3030-199, Coimbra, Portugal	100.00
Serda B.V. (2)	Paasheuvelweg 25, 1105BP, Amsterdam, Netherlands	49.00
Smith & Nephew France SAS (2)	40 - 52 Boulevard du Parc, 92200, Neuilly-sur-Seine, France	100.00
Smith & Nephew FZE (2)	Office No. LB02016, PO Box 16993, Jebel Ali, Dubai, United Arab Emirates	100.00
Smith & Nephew GmbH (2)	Concorde Business Park 1/C/3, 2320, Schwechat, Austria	100.00
Smith & Nephew GmbH (2)	Friesenweg 4, Haus 21, 22763, Hamburg, Germany	100.00
Smith & Nephew Healthcare Private Limited (1) (2)	501-B - 509 B Dynasty Business Park, Andheri Kurla Road, Andheri East, Mumbai-59, Maharashtra, India	100.00
Smith & Nephew Healthcare Sdn. Berhad (2)	Level 25, Menara Hong Leong, 6 Jalan Damanlela, Kuala Lumpur W.P., 50490 Kuala Lumpur, Malaysia	100.00
Smith & Nephew Inc. (2)	199, Bay Street, 4000 Toronto On M5L 1A9, Canada	100.00
Smith & Nephew International S.A (2)	1A, Rue Jean Piret, L-2350, Luxembourg	100.00
Smith & Nephew KK (2)	2-4-1, Shiba -Koen, Minato -Ku, Tokyo 105-0011, Japan	100.00
Smith & Nephew Lda (2)	Estrada Nacional nº 10 ao Km. 131, Bloco C, 2625-445 Forte, Vila Franca de Xira Portugal	99.99
Smith & Nephew Limited (1) (2)	16th Floor Building A, 9th Tower Grand Rama 9, 33/4 Rama 9 Rd, Bangkok, 10310., Thailand	100.00
Smith & Nephew Limited (2)	Unit 813-816, 8/F Delta House, 3 On Yiu Street, Shatin New Territories, Hong Kong	100.00
Smith & Nephew Limited (2)	36a Hillside Road, Wairau Valley, Auckland, 0627, New Zealand	100.00
Smith & Nephew LLC (2)	2nd Syromyatnichesky Lane 1, 9th Floor, Premises 1, Room 1, 105120, Moscow, Russian Federation	100.00
Smith & Nephew Manufacturing AG (2)	Schachenallee 29, 5000, Aarau, Switzerland	100.00

SMITH & NEPHEW (OVERSEAS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

18 Subsidiaries and other related undertakings	(Continued)
Smith & Nephew Medical (Shanghai) Limited (2)	100.00
Smith & Nephew Medical (Suzhou) Limited (2)	100.00
Smith & Nephew N.V.-S.A (2)	100.00
Smith & Nephew Nederland CV (2)	100.00
Smith & Nephew Operations B.V. (2)	100.00
Smith & Nephew Operations Sdn. Bhd (2)	100.00
Smith & Nephew Orthopaedics AG (2)	100.00
Smith & Nephew Orthopaedics GmBH (2)	100.00
Smith & Nephew Orthopaedics (Beijing) Co. Ltd (2)	100.00
Smith & Nephew OUS Inc (2)	100.00
Smith & Nephew Oy (2)	100.00
Smith & Nephew Pharmaceuticals (Proprietary) Ltd (2)	100.00
Smith & Nephew Pte. Ltd (2)	100.00
Smith & Nephew Pty Ltd (2)	100.00
Smith & Nephew S.A de C.V (2)	100.00
Smith & Nephew S.A.S (2)	100.00
Smith & Nephew S.A.U (2)	100.00
Smith & Nephew s.r.l. (2)	100.00
Smith & Nephew Schweiz AG (2)	100.00
Smith & Nephew Services SDN. BHD. (2)	100.00
Smith & Nephew sp z.o.o (2)	99.86
Smith & Nephew Superannuation Scheme Limited (2)	100.00
Smith & Nephew Surgical Holdings Pty Ltd (2)	100.00
Smith & Nephew Surgical Pty Ltd (2)	100.00
Smith & Nephew Suzhou Holdings Limited (2)	100.00
Smith & Nephew USD Limited (2)	100.00
Smith & Nephew USD One Limited (2)	100.00

SMITH & NEPHEW (OVERSEAS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

18 Subsidiaries and other related undertakings		(Continued)
Smith & Nephew, Inc (2)	The Corporation Trust Company, C T Center, 1209 Orange Street, Wilmington, Delaware, 19801, USA	100.00
Smith & Nephew, Inc. (2)	Edificio Cesar Castillo, Calle Angel Buonomo #361, Hato Rey, 00917, Puerto Rico	100.00
Smith ve Nephew Medikal Cihazlar Ticaret Limited Sirketi (2)	Bahçeköy Merkez Mahallesi, Ergene Nehri Sokak, No:8/4 Bahçeköy-Sariyer, Istanbul, Turkey	100.00
Sri Siam Medical Limited (1) (2)	16th Floor, GPF Witthayu Tower A, 93/1 Wireless Road, Lumpini, Phatumwan, Bangkok, 10330, Thailand	99.97
Surgical Frontiers Series I, LLC (2)	160 Greentree Drive, Suite 101, Dover, Kent, DE 19904, USA	33.46
TEAMfund, LP (2)	Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman, KY1	6.76
Tenet Medical Engineering Inc (2)	3500-855-2 Street SW, Calgary, Alberta, T2P 4J8, Canada	100.00
TP Limited (1)	4th Floor 115 George Street, Edinburgh, EH2 4JN	100.00
Trice Medical, Inc. (2)	251 Little Falls Drive, Wilmington, New Castle, DE 19808, USA	4.50
Tusker Medical, Inc.	251, Little Falls Drive, Wilmington, County of New Castle DE 19808, USA	100.00

(1) Interest held directly by the Company

(2) Interest held indirectly by the Company

19 Ultimate Parent Company and Parent Company of a larger Group

The Company is a subsidiary undertaking of Smith & Nephew plc which is the immediate and ultimate parent company and is incorporated in England and Wales. The consolidated financial statements of the Group are available to the public and may be obtained from Building 5, Croxley Park, Hatters Lane, Watford, Hertfordshire, WD18 8YE or online via www.smith-nephew.com.