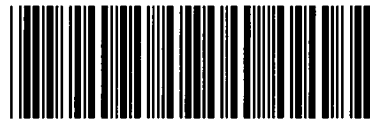


Financial Statements

Touchstone Medical Limited

For the year ended 31 December 2016

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COMPANIES HOUSE

Registered number: 08763411

Touchstone Medical Limited

Company Information

Directors

J A Carrington
D Neill

Registered number

08763411

Registered office

Unit 1
Kincraig Business Park
Kincraig Road
Blackpool
Lancashire
FY2 0PJ

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
4 Hardman Square
Spinningfields
Manchester
M3 3EB

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Directors' Report

For the year ended 31 December 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Principal activity

The principal activity of the company is that of the distribution of gynaecology products and specialist endoscopy solutions.

Results and dividends

The loss for the year, after taxation, amounted to £163,130 (2015 - loss £192,285).

Directors

The directors who served during the year were:

J A Carrington

D Neill

NWF4B Directors Limited (resigned 25 October 2016)

Directors' responsibilities statement

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

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Directors' Report (continued)

For the year ended 31 December 2016

Disclosure of information to auditor

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

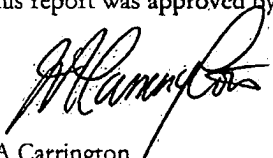
- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor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

Auditor

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

This report was approved by the board on

and signed on its behalf.


J A Carrington
Director

2/6/17

Independent Auditor's Report to the Members of Touchstone Medical Limited

We have audited the financial statements of Touchstone Medical Limited for the year ended 31 December 2016, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' responsibilities statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 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.

Independent Auditor's Report to the Members of Touchstone Medical Limited (continued)

Opinion 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 Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

Matters on which we are required to report by exception

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

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

Grant Thornton UK LLP

Christopher Martin
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester
Date:

14 June 2017

Statement of Comprehensive Income

For the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover - continuing operations	3	292,690	235,495
Cost of sales		(192,361)	(151,252)
Gross profit		100,329	84,243
Distribution costs		(4,238)	(14,470)
Administrative expenses		(257,238)	(261,392)
Operating loss - continuing operations	4	(161,147)	(191,619)
Interest payable and similar charges	8	(1,983)	(666)
Loss before tax		(163,130)	(192,285)
Tax on loss	9	-	-
Loss for the year		(163,130)	(192,285)

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2016 (2015: £NIL).

The notes on pages 8 to 17 form part of these financial statements.

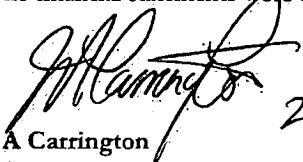
Statement of Financial Position

As at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	10	17,783	23,374
Current assets			
Stocks		1,684	2,528
Debtors: amounts falling due within one year	12	56,036	76,060
Cash at bank and in hand	13	2,367	1,909
		<u>60,087</u>	<u>80,497</u>
Creditors: amounts falling due within one year	14	(406,584)	(269,455)
Net current liabilities		<u>(346,497)</u>	<u>(188,958)</u>
Total assets less current liabilities		<u>(328,714)</u>	<u>(165,584)</u>
Creditors: amounts falling due after more than one year	15	(63,825)	(63,825)
Net liabilities		<u><u>(392,539)</u></u>	<u><u>(229,409)</u></u>
Capital and reserves			
Called up share capital	17	345	345
Share premium account	16	145,930	145,930
Profit and loss account	16	(538,814)	(375,684)
		<u><u>(392,539)</u></u>	<u><u>(229,409)</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

 2/6/17
J A Carrington
Director

The notes on pages 8 to 17 form part of these financial statements.

Statement of Changes in Equity

For the year ended 31 December 2016

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2016	345	145,930	(375,684)	(229,409)
Comprehensive income for the year				
Loss for the year	-	-	(163,130)	(163,130)
Total comprehensive income for the year	-	-	(163,130)	(163,130)
At 31 December 2016	345	145,930	(538,814)	(392,539)

Statement of Changes in Equity

For the year ended 31 December 2015

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2015	345	145,930	(183,399)	(37,124)
Comprehensive income for the year				
Loss for the year	-	-	(192,285)	(192,285)
Total comprehensive income for the year	-	-	(192,285)	(192,285)
At 31 December 2015	345	145,930	(375,684)	(229,409)

The notes on pages 8 to 17 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2016

1. Accounting policies

1.1 Company Information

Touchstone Medical Limited is a limited company incorporated in the UK and its registered office is Unit 1, Kincaig Business Park, Kincaig Road, Blackpool, Lancashire, FY2 0PJ.

The principal activity of the company is that of the distribution of gynaecology products and specialist endoscopy solutions.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 Section 1A, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in Sterling (£).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The individual accounts of Touchstone Medical Limited have also adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes
- financial instrument disclosures, including:
 - categories of financial instruments,
 - items of income, expenses, gains or losses relating to financial instruments, and
 - exposure to and management of financial risks.

1.3 Going concern

These financial statements have been prepared on a going concern basis, notwithstanding the deficiency of net assets, because of an undertaking from the parent company to provide or procure sufficient funds to ensure the company remains in operational existence for the foreseeable future.

1.4 Revenue

Revenue represents amounts receivable for goods net of VAT.

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

Sale of goods

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

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

Notes to the Financial Statements

For the year ended 31 December 2016

1. Accounting policies (continued)

1.5 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Demonstration equipment	-	20% straight line
Computer equipment	-	25% straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

1.6 Stocks

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

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

1.7 Debtors

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

1.8 Cash and cash equivalents

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

Notes to the Financial Statements

For the year ended 31 December 2016

1. Accounting policies (continued)

1.9 Financial instruments

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

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

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

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

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

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

1.10 Creditors

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

1.11 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.12 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease.

Notes to the Financial Statements

For the year ended 31 December 2016

1. Accounting policies (continued)

1.13 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

1.14 Taxation

Tax is recognised in the Statement of Comprehensive Income, except a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

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

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

- The useful expected lives of plant and equipment;
- The residual values of tangible fixed assets;
- Bad debt provisions

3. Turnover

The whole of the turnover is attributable to the distribution of gynaecology products and specialist endoscopy solutions.

All turnover arose from United Kingdom sales.

Notes to the Financial Statements

For the year ended 31 December 2016

4. Operating loss

The operating loss is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets	4,821	759
Loss on disposal of fixed assets	255	-
Exchange differences	4,712	492
	<u>4,712</u>	<u>492</u>

5. Auditor's remuneration

	2016	2015
	£	£
Fees payable to the Company's auditor and associates for the audit of the Company's annual accounts	3,100	3,000
	<u>3,100</u>	<u>3,000</u>

6. Employees

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

	2016	2015
	£	£
Wages and salaries	105,323	134,471
Social security costs	12,217	13,562
	<u>117,540</u>	<u>148,033</u>

The average monthly number of employees, including directors, during the year was 2 (2015 - 2).

7. Directors' remuneration

	2016	2015
	£	£
Directors' emoluments	70,000	93,527
	<u>70,000</u>	<u>93,527</u>

8. Interest payable and similar charges

	2016	2015
	£	£
Other interest payable	1,983	666
	<u>1,983</u>	<u>666</u>

Notes to the Financial Statements

For the year ended 31 December 2016

9. Taxation

	2016 £	2015 £
Current tax on profits for the year	-	-
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2016 £	2015 £
Loss on ordinary activities before tax	(163,130)	(192,285)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	(32,626)	(38,938)
Effects of:		
Expenses not deductible for tax purposes	-	13
Other timing differences leading to an increase (decrease) in taxation	-	6
Adjustments to tax rate in respect of previous periods - deferred tax	8,594	7,875
Deferred tax not recognised	24,032	31,044
Total tax charge for the year	-	-

Factors that may affect future tax charges

During the year the UK corporation tax rate was decreased. There will be a further reduction in the main rate of corporation tax to 19% from 1 April 2017, and following Budget 2016 announcements the rate will fall to 17% in 2020.

The company has unrelieved tax losses carried forward of £537,799 (2015: £374,661). The directors have chosen not to recognise a deferred tax asset of £91,426 (2015: £67,439) at this time due to uncertainty over when taxable profits will be available to utilise these losses.

Notes to the Financial Statements

For the year ended 31 December 2016

10. Tangible fixed assets

	Demonstration equipment £	Computer equipment £	Total £
Cost			
At 1 January 2016	22,839	1,522	24,361
Additions	1,852	350	2,202
Disposals	(3,149)	-	(3,149)
At 31 December 2016	21,542	1,872	23,414
Depreciation			
At 1 January 2016	378	609	987
Charge for the year	4,364	457	4,821
Disposals	(177)	-	(177)
At 31 December 2016	4,565	1,066	5,631
Net book value			
At 31 December 2016	16,977	806	17,783
At 31 December 2015	22,461	913	23,374

Notes to the Financial Statements

For the year ended 31 December 2016

11. Stock

	2016 £	2015 £
Stocks and work in progress	<u>1,684</u>	<u>2,528</u>

Stock recognised in cost of sales during the year as an expense was £183,753 (2015: £142,756).

An impairment loss of £Nil (2015: £Nil) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

12. Debtors

	2016 £	2015 £
Trade debtors	55,936	75,960
Other debtors	100	100
	<u>56,036</u>	<u>76,060</u>

An impairment loss of £Nil (2015: £Nil) was recognised against trade debtors.

13. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	<u>2,367</u>	<u>1,909</u>

14. Creditors: Amounts falling due within one year

	2016 £	2015 £
Invoice financing facility	25,370	24,634
Trade creditors	47,564	45,671
Amounts owed to group undertakings	151,748	108,443
Taxation and social security	13,718	12,478
Accruals and deferred income	168,184	78,229
	<u>406,584</u>	<u>269,455</u>

Included within the above balances is £25,370 (2015: £24,634) in respect of an invoice financing facility with Bibby Financial Services Limited. The liability is secured against trade debtors.

Notes to the Financial Statements

For the year ended 31 December 2016

15. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Share capital treated as debt	<u>63,825</u>	<u>63,825</u>

Disclosure of the terms and conditions attached to the non-equity shares is made in note 16

16. Reserves

Share premium

Share premium includes any premium received on the issue of share capital. Any transaction costs associated with the issue of shares are deducted from the share premium.

Profit and loss account

Includes all current and prior period retained profits and losses.

17. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
24,485 A Ordinary shares of £0.01 each	245	245
10,000 Ordinary shares of £0.01 each	100	100
	<u>345</u>	<u>345</u>
	2016 £	2015 £
Shares classified as debt		
Allotted, called up and fully paid		
1 share classified as debt with a value of £63,825	<u>63,825</u>	<u>63,825</u>

The preference shares are redeemable in 2020, and carry an entitlement to a dividend based on the performance of Touchstone Medical Limited. The preference share does not carry voting rights.

18. Capital commitments

There were no capital commitments at 31 December 2016 or 31 December 2015.

Notes to the Financial Statements

For the year ended 31 December 2016

19. Commitments under operating leases

The Company had no commitments under the non-cancellable operating leases as at the reporting date.

20. Related Party Transactions

At 31 December 2016, the balance owing to CME UK (Holdings) Limited was £171,229 (2015: £129,729). Investment fees chargeable to Touchstone Medical Limited from CME UK (Holdings) Limited were £15,000 (2015: £11,875). These have been accrued at the balance sheet date.

At 31 December 2016, the balance owing to CME Medical UK Limited was £101,805 (2015: £40,000). Management charges for the year from CME Medical UK Limited were £60,000 (2015: £40,000).

21. Controlling party

The company is 51% owned by CME UK (Holdings) Limited, a company incorporated in England and Wales. Copies of statements of that company may be obtained from Companies House.