

Registered number: 2296559

B. Braun Medical Limited
Annual report and financial statements
for the year ended 31 December 2014

B. Braun Medical Limited
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for the year ended 31 December 2014

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B. Braun Medical Limited

Directors and advisers

Directors

H Hux (Chief Executive Officer)

P J Mitchell

P Parfaniuk

P Steel

Prof. M Ungethüm

D Darling

D Oates

P Skelton

Dr. A Beller

R P Matthews

Registered office

Brookdale Road

Thornccliffe Park Estate

Chapelton

Sheffield

S35 2PW

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

St. Paul's Place

121 Norfolk Street

Sheffield

S1 2LE

Bankers

HSBC Bank plc

17 Church Street

Sheffield

S1 1HH

B. Braun Medical Limited

Strategic report for the year ended 31 December 2014

The directors present their strategic report on the company for the year ended 31 December 2014.

Principle activities

The company's principal activity during the year was the distribution of healthcare products and equipment, and the provision of services to the healthcare sector.

Review of the business and future developments

2014 again saw continued underlying growth from the core business and improved operating profitability.

Taking into consideration the comments made in this review, both the level of business and the year end financial position were good. The directors expect that the strength in the core business will lead to continued growth in the 2015 year and for the foreseeable future.

The company supplies goods and services to the healthcare sector and the directors consider that demand is unlikely to decline significantly in the long term despite the current pressures placed upon public sector expenditure.

Previously, the company has invested significantly in the creation of three large decontamination centres, and funded the purchase of an established renal dialysis business on behalf of the B. Braun group. The company provided support to the new businesses as they became established, whilst continuing to seek new areas of growth for its existing core business. During 2010, a new Aseptic manufacturing facility was built and it became operational. In 2011, the company extended its distribution facility in Sheffield. The company opened a new Technical Services facility in Sheffield in 2012 to further enhance its service portfolio. Having invested in staff and systems over recent years, the company's overriding objective is now to grow profitable turnover commensurate with its long term goals. The company began to expand its presence in the veterinary care market during 2014.

During the year the company sold land and buildings relating to its discontinued manufacturing business in Allen Street, Sheffield resulting in a profit on sale of £420,000.

Principal risks and uncertainties

The directors consider that the effects of NHS initiatives on market pricing will continue to offer challenges. Furthermore, the directors have given due consideration to the levels of funding available to the NHS in the medium term. Future pension shortfalls also represent an area of uncertainty for the business. The directors continue to ensure that these factors are taken into account when planning.

B. Braun Medical Limited

Strategic report for the year ended 31 December 2014 (continued)

Key performance indicators

The company uses key performance indicators to monitor current performance compared to agreed targets. The following observations have been made for the year ended 31 December 2014 compared to the year ended 31 December 2013. Gross profit as a percentage of sales was maintained in line with the previous year (2013: remained static). Sales turnover per head remained static (2013: grew by 4.9%), and supply chain costs as a percentage of sales was maintained at the previous year's level (2013: remained static). Generally this is in line with the directors' current expectation. The company achieved the Investors In People Gold award during 2012, and was awarded Investors in People Champion status in 2013.

On behalf of the Board

A handwritten signature in black ink, consisting of a large, stylized 'H' followed by a horizontal line and a smaller, more fluid signature.

H Hux
Director
20 March 2015

B. Braun Medical Limited

Directors' report for the year ended 31 December 2014

The directors present their report and the audited financial statements of the company for the year ended 31 December 2014.

Future developments

During 2015 the company intends to continue to diversify and expand its product and service offering whilst maintaining its existing focus on efficiency gains and profitability improvement. The company will also continue to develop new and innovative ways of working using the foundations of innovation, efficiency and sustainability.

Results and dividends

The profit and loss account for the year is set out on page 9. The directors do not propose the payment of a final dividend (2013: £nil).

Charitable donations

The charitable contributions made by the company during the year amounted to £6,891 (2013: £7,975). There were no political contributions (2013: £nil). The purpose of all charitable donations made during the year was the improvement of welfare in the wider community.

Financial risk management

The company's operations expose it to a variety of financial risks including:

Price risk

The company is exposed to NHS initiatives on market pricing as a result of its operations. The level of exposure to this risk is monitored by the directors on an ongoing basis.

Credit risk

The company has implemented policies that require appropriate approval for potential customers before sales are made. Credit limits are set accordingly and are reviewed on an ongoing basis. Due to the nature of the company's customer base, the exposure to credit risk is considered to be low.

Liquidity risk

The continued availability of group funding ensures that the company has sufficient funds for operations and planned expansion.

Interest rate cash flow risk

Due to group financing arrangements in place, the directors do not consider that the company is significantly exposed to risk from fluctuations in interest rates.

B. Braun Medical Limited

Directors' report for the year ended 31 December 2014 (continued)

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below:

H Hux (Chief Executive Officer)
P J Mitchell
D Darling
P Steel
P Parfaniuk
Prof. M Ungethüm
D Oates
P Skelton
Dr. A Beller
R P Matthews

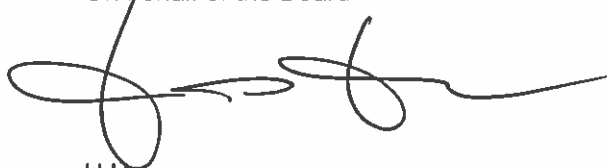
In accordance with the Articles of Association, none of the directors are required to retire by rotation.

Employees

The company is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels with the aim of ensuring that views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the company as a whole. Communication with all employees continues through internal newsletters, briefing groups and electronic communications with the intention of providing employees with information on matters of concern to them as employees, and raising awareness of the financial and the economic factors that affect the company's performance.

On behalf of the Board



H Hux
Director
20 March 2015

B. Braun Medical Limited

Statement of directors' responsibilities

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 the directors have prepared 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;
- 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.

Disclosure of information to the auditors

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Relevant information is defined as information needed by the company's auditors in connection with preparing their report. Each director has taken all the steps (such as making enquiries of other directors and the auditors and any other steps required by the director's duty to exercise due care, skill and diligence) that they ought to have taken in their duty as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board



H Nux
Director
20 March 2015

B. Braun Medical Limited

Independent auditors' report to the members of B. Braun Medical Limited

Report on the financial statements

Our opinion

In our opinion, B. Braun Medical Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

B. Braun Medical Limited's financial statements comprise:

- the balance sheet as at 31 December 2014;
- the profit and loss account for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, 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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

B. Braun Medical Limited

Independent auditors' report to the members of B. Braun Medical Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities 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.

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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Andy Ward (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Sheffield
23 March 2015

B. Braun Medical Limited

Profit and loss account for the year ended 31 December 2014

	Note	2014 £'000	2013 £'000
Turnover	1	117,558	106,961
Cost of sales		(72,556)	(66,690)
Gross profit		45,002	40,271
Net operating expenses	2	(34,175)	(30,859)
Operating profit	5	10,827	9,412
Profit on sale of fixed assets	6	420	65
Interest receivable and similar income	7	701	545
Interest payable and similar charges	8	(267)	(440)
Profit on ordinary activities before taxation		11,681	9,582
Tax on profit on ordinary activities	9	(2,539)	(2,244)
Profit for the financial year	20	9,142	7,338

All items dealt with in arriving at operating profit above relate to continuing operations.

There is no difference between the profit on ordinary activities before taxation and the profit for the financial years stated above and their historical cost equivalents.

B. Braun Medical Limited

Statement of total recognised gains and losses for the year ended 31 December 2014

	2014	2013
	£'000	£'000
Profit for the financial year	9,142	7,338
Actuarial (loss)/gain on pension scheme	(1,938)	1,899
Movement on deferred tax relating to pension scheme	417	(441)
Total recognised gains and losses relating to the year	7,621	8,796

B. Braun Medical Limited

Balance sheet as at 31 December 2014

Registered number: 2296559

	Note	2014 £'000	2013 £'000
Fixed assets			
Intangible assets	10	69	-
Tangible assets	11	10,367	10,908
Investments	12	1,400	1,400
		11,836	12,308
Current assets			
Stocks	13	7,862	8,577
Debtors: amounts falling due within one year	14	48,863	50,634
Debtors: amounts falling due after more than one year	14	194	285
Cash at bank and in hand		232	639
		57,151	60,135
Creditors: amounts falling due within one year	15	(32,434)	(44,427)
Net current assets		24,717	15,708
Total assets less current liabilities		36,553	28,016
Creditors: amounts falling due after more than one year	16	(1,822)	(1,822)
Net assets excluding pension liability		34,731	26,194
Pension liability	24	(1,304)	(388)
Net assets including pension liability		33,427	25,806
Capital and reserves			
Called up share capital	19	10,000	10,000
Profit and loss account	20	23,427	15,806
Total shareholders' funds	21	33,427	25,806

The financial statements on pages 9 to 34 were approved by the Board of directors on 20 March 2015 and were signed on its behalf by:



P Skelton
Director

B. Braun Medical Limited

Statement of accounting policies

Basis of accounting

These financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. Furthermore they have been prepared in accordance with consistently applied accounting principles. The principal accounting policies are set out below.

Turnover

Turnover represents the fair value of goods supplied and services provided, stated net of discounts, agreed rebate payments and value added tax. Specific criteria are set out below for the Company's principal activities.

Supply of goods

Under normal circumstances, turnover is recognised upon despatch of healthcare products and equipment. Where consignment stock arrangements are in place, turnover is recognised upon notification by the customer that the product has been withdrawn from consignment or, where relevant, on expiry of a fixed contractual term.

Service provision

The Company also provides a wide and varied range of services to the healthcare sector, which are often distinct to the distribution of healthcare products. These are treated as separate transactions for the purposes of revenue recognition. In all cases, revenue is recognised when services are rendered, and in the case of ongoing service, by reference to the stage of completion in accordance with the contractual agreement.

Leasing

The Company provides equipment to customers under a variety of leasing arrangements. In the vast majority of cases, these are classified as operating leases within the criteria of SSAP 21, and revenue is recognised on a straight-line basis over the lease term. Where the risk and rewards of ownership are deemed to have transferred to the customer, finance lease accounting is adopted. The standard sales price is recognised as revenue on inception, and interest income is allocated over the contractual term.

Foreign currencies

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date or at the agreed contractual rate. Transactions in foreign currency are translated at the rate ruling at the date of the transaction. All differences on exchange are taken to the profit and loss account.

Intangible assets

Intangible assets acquired separately from a business are capitalised at cost. Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition. Intangible assets are amortised on a straight line basis over their estimated useful lives. The carrying value of intangible assets is reviewed for impairment each financial year.

B. Braun Medical Limited

Statement of accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual value, on a straight-line basis over their estimated economic lives. The depreciation rates used for this purpose are:

Freehold buildings	2-3%
Leasehold improvements	life of lease
Plant and machinery	10%
Computer equipment and software	20%
Fixtures and fittings	10-33%
Tooling	33%
Demonstration assets	20-33%
Assets in the course of construction	Nil

Freehold land is not depreciated.

Assets in the course of construction are transferred to the relevant assets categories on completion.

Investments in subsidiaries are stated in the balance sheet at cost less any provision for impairment.

Leases

The costs of operating leases are charged on a straight line basis over the lease term.

Equipment leased to customers

Equipment leased to customers under finance leases is deemed to be sold at normal selling value which is taken to turnover at the inception of the lease. Debtors under finance leases represent outstanding amounts due under these agreements less finance charges allocated to future periods. Finance lease interest is recognised over the primary period of the lease.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. In general, cost is determined on a first in, first out basis and includes transport and handling costs. In the case of manufactured products, cost includes all direct expenditure and an appropriate proportion of production overheads based on the normal level of activity. Where necessary, provision is made for obsolete, slow-moving and defective stocks.

B. Braun Medical Limited

Statement of accounting policies (continued)

Pensions

The company operates four separate pension schemes, three of which are closed to new members. Of the closed schemes one is a defined benefit pension scheme, the assets of which are held separately from those of the company in independently administered funds. The scheme was funded by contributions partly from the employees and partly from the company at rates determined by independent actuaries. This scheme is now closed to new members and to future accrual.

Pension scheme assets are measured using market value, where this market value is bid price for quoted securities. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The increase in the present value of the liabilities of the company's defined benefit pension schemes expected to arise from employee service in the period is charged to operating profit. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in other finance costs. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

Pension scheme surpluses, to the extent that they are considered recoverable, or deficits are recognised in full and presented on the face of the balance sheet net of related deferred tax.

The three further schemes are defined contribution schemes, which are funded by contributions partly from employees and partly from the company. One of these schemes is administered by Assicurazioni Generali SpA and is closed to new members. Another, administered by Scottish Widows plc, is also closed to new members. During the previous year the first contributions were paid into a new scheme which is administered by Aviva. This scheme was started to ensure that a contribution structure suitable for the company's obligations under the auto-enrolment legislation was available for the staging date of 1 January 2014.

Costs of defined contribution schemes represent the amounts payable in the year.

Further details are set out in note 23.

The company provides no other post retirement benefits to its employees.

B. Braun Medical Limited

Statement of accounting policies (continued)

Deferred taxation

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at average rates expected to apply when they crystallise based on current tax rates and law. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event and it is probable that a transfer of economic benefits will be required to settle the obligation, and where a reliable estimate can be made of the amount of the obligation.

Exceptional items

The company presents as exceptional items those profits or losses which meet the criteria set out in FRS 3 "Reporting financial performance". Exceptional items are shown on the face of the profit and loss account after operating profit to allow shareholders to understand better the elements of financial performance in the period, so as to facilitate comparison with prior periods and to assess better trends in financial performance.

Related party transactions

In accordance with the exemption allowed by FRS 8 "Related party disclosures", transactions with entities that are part of the B. Braun Melsungen AG group are not disclosed.

Exemption from the obligation to prepare group financial statements and a cash flow statement

The company is a wholly-owned subsidiary of B. Braun Melsungen AG and the results and cash flows of the company are included in the consolidated financial statements of that company. Accordingly, the company has chosen to take the exemption under the Companies Act 2006 Section 400 from preparing group financial statements and the exemption under FRS 1 (revised 1996) "Cash flow statements" from preparing a cash flow statement.

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2014

1 Segmental reporting

The company has chosen to take the exemption under SSAP 25 "Segmental Reporting" from presenting a segmental analysis of turnover.

2 Net operating expenses

	2014 £'000	2013 £'000
Distribution costs	30,809	27,947
Administrative expenses	3,366	2,912
Net operating expenses	34,175	30,859

3 Employee information

	2014 £'000	2013 £'000
Wages and salaries	19,092	17,528
Social security costs	2,360	2,185
Other pension costs (note 23)	1,725	1,479
	23,177	21,192

The average monthly number of persons (including executive directors) employed by the company during the year was:

By activity	2014 Number	2013 Number
Production	66	60
Sales and administration	392	358
	458	418

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

4 Directors' emoluments

	2014	2013
	£'000	£'000
Aggregate emoluments (excluding pensions)	1,347	1,392
Emoluments payable to the highest paid director are as follows:		
	2014	2013
	£'000	£'000
Aggregate emoluments and benefits	378	366
Money purchase pension scheme:		
- Company contributions paid	33	50

Retirement benefits are accruing to two (2013: three) directors under a defined benefit scheme and to six under a money purchase scheme (2013: seven). Company contributions in respect of directors that are members of the money purchase scheme totalled £194,000 for the year (2013: £214,000).

The emoluments of Prof. M Ungethüm and Dr. A Beller are paid by other group companies. These directors are also directors of the ultimate parent company and a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, the above details include no emoluments in respect of these directors. Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of the ultimate parent company.

B. Braun Medical Limited

Notes to the financial statements
for the year ended 31 December 2014 (continued)

5 Operating profit

	2014	2013
	£'000	£'000
<hr/>		
Operating profit is stated after (crediting)/charging:		
Rentals receivable under finance leases	(101)	(90)
Depreciation charge for the year		
- owned assets	1,581	1,590
Accelerated amortisation	247	-
Auditors' remuneration for:		
- audit	79	75
- taxation services	26	30
- other services	28	5
Hire of plant and machinery – operating leases	1,486	1,556
Hire of land and buildings – operating leases	103	102
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B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

6 Profit on sale of fixed assets

During 2009, the company announced the decision to close the manufacturing unit at Allen Street, Sheffield, and discontinue the sale of Downs' products to overseas customers. There has been no trade since 31 December 2011 and these profits represent the final tranche of disposal of fixed assets from the discontinued operation.

	2014	2013
	£'000	£'000
Profit on sale of fixed assets	420	65

7 Interest receivable and similar income

	2014	2013
	£'000	£'000
Interest receivable on finance leases	9	7
Group interest receivable	438	458
Interest on corporation tax receivable	1	-
Other finance income (Note 23)	253	80
	701	545

8 Interest payable and similar charges

	2014	2013
	£'000	£'000
On bank loans and overdrafts	43	84
Group interest payable	224	356
	267	440

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

9 Tax on profit on ordinary activities

	2014	2013
	£'000	£'000
Current tax:		
UK corporation tax on profits of the year	2,388	2,067
Adjustments in respect of prior years	(2)	(58)
Total current tax	2,386	2,009
Deferred tax:		
Origination and reversal of timing differences	243	258
Adjustments in respect of previous years	(102)	(52)
Changes in tax rates	12	29
Total deferred tax (note 17)	153	235
Total tax on profit on ordinary activities	2,539	2,244

The current tax assessed for the year is lower (2013: lower) than the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%). The differences are explained below:

	2014	2013
	£'000	£'000
Profit on ordinary activities before taxation	11,681	9,582
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%)	2,511	2,228
Effects of:		
Expenses not deductible for tax purposes	168	151
Capital allowances in excess of depreciation and other timing differences	(244)	(258)
Income not taxable for tax purposes	(47)	-
Adjustments in respect of prior years	(2)	(58)
Items charged elsewhere	-	(54)
Total current tax charge for the year	2,386	2,009

B. Braun Medical Limited

Notes to the financial statements
for the year ended 31 December 2014 (continued)

9 Tax on profit on ordinary activities (continued)

Factors affecting current and future tax changes

During the year, as a result of changes in the UK corporation tax rate to 23% which was substantially enacted on 3 July 2012 and was effective from 1 April 2013; and to 21% which was substantially enacted on 2 July 2013 and was effective from 1 April 2014, the current tax rate decreased to a hybrid rate of 21.5% for the year ended 31 December 2014.

In addition to the changes in rates of Corporation tax disclosed above, there were no further changes to the UK Corporation tax rates substantively enacted as part of the Finance Bill on 2 July 2013 (21% from 1 April 2014 and to 20% from 1 April 2015) and therefore the relevant deferred tax balances have not been re-measured.

10 Intangible assets

	Customer contracts £'000
Cost	
At 1 January 2014	-
Additions	321
At 31 December 2014	321
Accumulated amortisation	
At 1 January 2014	-
Accelerated amortisation	247
Charge for the year	5
At 31 December 2014	252
Net book amount	
At 31 December 2014	69
At 1 January 2014	-

During the year the company took over a veterinary care supply contract from B. Braun Vet Care GmbH in Germany.

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

11 Tangible assets

	Land and buildings		Assets in the course of construction	Plant and machinery	Demonstration assets	Computer equipment and software, tooling, fixtures and fittings	Total
	Freehold	Long leasehold					
	£'000	£'000					
Cost							
At 1 January 2014	9,582	382	-	2,543	6,429	5,435	24,371
Additions	94	3	23	42	842	100	1,104
Disposals	(187)	-	-	-	(595)	-	(782)
At 31 December 2014	9,489	385	23	2,685	6,676	5,535	24,693
Accumulated depreciation							
At 1 January 2014	2,988	382	-	1,384	4,818	3,891	13,463
Charge for the year	245	3	-	80	841	407	1,576
Disposals	(187)	-	-	-	(526)	-	(713)
At 31 December 2014	3,046	385	-	1,464	5,133	4,298	14,326
Net book amount							
At 31 December 2014	6,443	-	23	1,121	1,543	1,237	10,367
At 31 December 2013	6,594	-	-	1,159	1,611	1,544	10,908

B. Braun Medical Limited

Notes to the financial statements
for the year ended 31 December 2014 (continued)

12 Investments

	Interest in group undertakings £'000
Cost of investment at 1 January and 31 December 2014	3,400
Accumulated impairment at 1 January and 31 December 2014	(2,000)
Net book amount at 1 January and 31 December 2014	1,400

Interest in group undertakings

Details of interest in group undertakings are as follows:

Name of undertaking	Description of shares held	Proportion of nominal value of issued shares held	
		Direct	Indirect
B. Braun Sterilog Limited	Ordinary	100%	-
B. Braun Sterilog (Yorkshire) Limited	Ordinary	-	100%
B. Braun Sterilog (Birmingham) Limited	Ordinary	-	100%
Downs Surgical Limited	Ordinary	100%	-
Aesculap Academia Company Limited	Ordinary	100%	-
B. Braun Healthcare Limited	Ordinary	73.5%	-

The directors believe that the carrying value of the investments is supported by the underlying net assets of the investments.

All companies are registered and incorporated in England and Wales and have a year end of 31 December.

B. Braun Sterilog Limited is a holding company for the investments in B. Braun Sterilog (Yorkshire) Limited and B. Braun Sterilog (Birmingham) Limited. Both B. Braun Sterilog (Yorkshire) Limited and B. Braun Sterilog (Birmingham) Limited operate decontamination centres as outsourced facilities for the NHS and other third party companies.

Downs Surgical Limited, Aesculap Academia Company Limited and B. Braun Healthcare Limited are non-trading.

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

13 Stocks

	2014	2013
	£'000	£'000
Raw materials and consumables	123	141
Work in progress	125	118
Finished goods and goods for resale	7,614	8,318
	7,862	8,577

14 Debtors

	2014	2013
	£'000	£'000
Amounts falling due within one year		
Trade debtors	19,012	17,890
Amounts owed by group undertakings	583	983
Loans receivable from group undertakings	28,179	30,389
Other debtors	133	242
Prepayments and accrued income	677	886
Finance lease debtor	96	95
Deferred tax (note 17)	183	149
	48,863	50,634

Loans receivable and amounts owed by group undertakings are unsecured and have no fixed date of repayment. Interest is received on loans receivable at LIBOR plus 1.00% (2013: LIBOR plus 1.00%). No interest is receivable on amounts owed by group undertakings.

	2014	2013
	£'000	£'000
Amounts falling due after more than one year		
Finance lease debtor	194	285
	194	285

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

	2014	2013
	£'000	£'000
Net investment in finance leases comprises:		
Total amounts receivable	300	390
Less: Interest allocated to future periods	(10)	(10)
	290	380

Rentals receivable during the year under finance leases and hire purchase contracts amounted to £101,000 (2013: £90,000).

15 Creditors: amounts falling due within one year

	2014	2013
	£'000	£'000
Bank loans and overdrafts (note 16)	13	901
Trade creditors	2,156	1,888
Amounts owed to group undertakings	18,139	31,398
Other taxation and social security payable	4,455	4,343
Accruals and deferred income	7,671	5,897
	32,434	44,427

Included in amounts owed to group undertakings is an inter company loan from B. Braun Melsungen AG. This amount is unsecured and interest is payable at LIBOR plus 1.00% (2013: LIBOR plus 1.00%). The remaining amounts are unsecured and no interest is payable on the liability.

16 Creditors: amounts falling due after more than one year

	2014	2013
	£'000	£'000
Amounts owed to group undertakings	1,822	1,822
	1,822	1,822

B. Braun Medical Limited

Notes to the financial statements
for the year ended 31 December 2014 (continued)

17 Loans and other borrowings

	2014	2013
	£'000	£'000
Bank loan and overdrafts	13	901

	2014	2013
	£'000	£'000
Within one year	13	901
	13	901

The company previously had a loan which was secured by a mortgage over the freehold land and buildings and other assets of the company. This was satisfied in full during the year.

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

18 Deferred taxation

Deferred taxation provided in the financial statements is analysed as follows:

	£'000	£'000
At 1 January 2014:		
Deferred tax asset due to accelerated capital allowances and short term timing differences	(149)	
Deferred tax asset on the pension scheme	(97)	
		(246)
Deferred tax charge in profit and loss account		153
Deferred tax credit to the statement of total recognised gains and losses		(416)
At 31 December 2014:		
Deferred tax asset due to accelerated capital allowances and short term timing differences	(183)	
Deferred tax asset on the pension scheme	(326)	
		(509)
	2014	2013
	£'000	£'000
Tax effect of timing differences because of:		
Capital allowances in excess of depreciation	(135)	(136)
Other timing differences	(48)	(13)
Deferred tax asset excluding that relating to pension scheme	(183)	(149)
Deferred tax asset on the pension scheme (note 23)	(326)	(97)
Total deferred tax asset	(509)	(246)

B. Braun Medical Limited

Notes to the financial statements
for the year ended 31 December 2014 (continued)

19 Called up share capital

	Allotted and fully paid	
	2014 £'000	2013 £'000
9,375,000 Ordinary shares of £1 each	9,375	9,375
625,000 Ordinary non-voting shares of £1 each	625	625
	10,000	10,000

The ordinary shares and non-voting shares rank pari passu in all respects so that holders of non-voting shares are entitled to notice of and to attend general meetings but have no right to speak or vote at those meetings.

20 Profit and loss account

	Profit and loss account £'000
At 1 January 2014	15,806
Profit for the financial year (note 20)	9,142
Actuarial (loss) on pension scheme (note 23)	(1,938)
Movement on deferred tax relating to pension scheme	417
At 31 December 2014	23,427

B. Braun Medical Limited

Notes to the financial statements
for the year ended 31 December 2014 (continued)

21 Reconciliation of movements in shareholders' funds

	2014	2013
	£'000	£'000
Profit for the financial year	9,142	7,338
Actuarial (loss)/gain on pension scheme (note 23)	(1,938)	1,899
Movement on deferred tax relating to pension scheme	417	(441)
Net addition to shareholders' funds	7,621	8,796
Opening shareholders' funds	25,806	17,010
Closing shareholders' funds	33,427	25,806

22 Contingent liabilities

Contingent liabilities in respect of guarantees given to HMRC for VAT deferral duty amount to £150,000 (2013: £150,000). Contingent liabilities in respect of other guarantees amount to £nil (2013: £nil).

In the opinion of the directors no loss will arise in connection with these guarantees.

23 Financial commitments

At 31 December 2014 the company had annual commitments under non-cancellable operating leases relating to equipment expiring as follows:

	Land and buildings	Land and buildings	Plant and machinery	Plant and machinery
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Within one year	-	-	427	279
Within two to five years	-	-	962	1,151
After five years	103	103	-	-
	103	103	1,389	1,430

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

24 Pension commitments

The company operates a defined benefit pension scheme with assets held separately from those of the company in independently administered funds. The scheme provides retirement benefits on the basis of members' final salary. On 1 July 1999, the defined benefit scheme was closed to new members and on 30 September 2007 it was closed to future accrual.

The company also operates three defined contribution schemes. One is administered by Assicurazioni Generali SpA and is closed to new members. Another is administered by Scottish Widows plc and is also closed to new members. During the previous year the company opened a new scheme which is administered by Aviva in order to meet its auto-enrolment obligations from its staging date of 1 January 2014.

The total pension cost for the year was £1,725,000 (2013: £1,479,000). At the year end £nil (2013: £nil) is included in accruals.

Defined benefit scheme

A full actuarial valuation was carried out at 31 March 2012 and updated to 31 December 2014 by qualified independent actuaries. The major assumptions used by the actuary as at 31 December 2014 were:

	31 December 2014	31 December 2013
Inflation assumption	2.0%	2.3%
Rate of increase in salaries	0%	0%
Discount rate	3.8%	4.7%
Rate of increase in pensions in payment	2.0%	2.3%

The mortality assumptions used were as follows:

	2014 Years	2013 Years
Male member aged 65 (current life expectancy)	21.4	21.4
Male member aged 45 (life expectancy at age 65)	23.7	23.6

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

24 Pension commitments (continued)

The assets in the scheme and the expected rate of return were:

	Long term expected rate of return 31 December 2014	Value as at 31 December 2014 £'000	Long term expected rate of return 31 December 2013	Value as at 31 December 2013 £'000
Equities	6.0%	3,092	7.2%	5,610
Bonds	4.5%	5,459	4.7%	4,190
Cash	2.5%	185	3.7%	286
Other	6.0%	8,195	7.2%	5,549
		16,931		15,635

The following amounts at 31 December 2014 were measured in accordance with the requirements of FRS 17 "Retirement benefits":

Pension liability	2014 £'000	2013 £'000
Total market value of assets	16,931	15,635
Present value of scheme liabilities	(18,561)	(16,120)
Deficit in the scheme	(1,630)	(485)
Related deferred tax asset	326	97
Net pension deficit	(1,304)	(388)

Reconciliation of present value of scheme liabilities	2014 £'000	2013 £'000
At 1 January	16,120	17,110
Interest cost	749	760
Actuarial losses/(gains)	2,316	(1,326)
Benefits paid	(624)	(424)
At 31 December	18,561	16,120

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

24 Pension commitments (continued)

Sensitivity analysis of scheme liabilities

The sensitivity of the present value of scheme liabilities to changes in the principle assumptions used is set out below:

	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%	Decrease by 17%
Discount rate	Decrease by 1%	Increase by 20%
Inflation rate	Increase by 1%	Increase by 14%
Inflation rate	Decrease by 1%	Decrease by 12%
Mortality	Increase by 1 year	Decrease by 2%
Mortality	Decrease by 1 year	Increase by 2%

Reconciliation of present value of scheme assets	2014	2013
	£'000	£'000
At 1 January	15,635	14,106
Expected return on scheme assets	1,002	840
Actuarial gains on plan assets	378	573
Employer contributions	540	540
Benefits paid from plan	(624)	(424)
At 31 December	16,931	15,635

Scheme assets do not include any of the financial assets of B. Braun Medical Limited or any property occupied by B. Braun Medical Limited.

The expected return on scheme assets is determined by considering the asset classes held and assuming rates of return consistent with current yields as well as long term equity out-performance over gilts of 3.5% per annum.

The actual gain on scheme assets in the year was £1,380,000 (2013: gain of £1,413,000).

B. Braun Medical Limited

Notes to the financial statements
for the year ended 31 December 2014 (continued)

24 Pension commitments (continued)

The following amounts are recognised in the performance statements in the year to 31 December 2014 under the requirements of FRS 17 "Retirement benefits":

	2014	2013
	£'000	£'000
Operating profit		
Current service cost	-	-
Other finance income		
Expected return on pension scheme assets	(1,002)	(840)
Interest on pension scheme liabilities	749	760
Net income	(253)	(80)

Actuarial gains and losses

The cumulative amount of actuarial losses recognised in the statement of recognised gains and losses is £2,885,000 (2013: £947,000).

Actuarial valuation

The defined benefit scheme was closed to new members on 1 July 1999 and closed to future accrual on 30 September 2007. The total contribution expected to be made to the scheme by B. Braun Medical Limited in the year to 31 December 2015 is £540,000 (2014: £540,000).

B. Braun Medical Limited

Notes to the financial statements
for the year ended 31 December 2014 (continued)

24 Pension commitments (continued)

History of experience gains and losses	2014	2013	2012	2011	2010
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation	18,561	16,120	17,110	15,522	14,041
Fair value of plan assets	16,931	15,635	14,106	12,571	12,741
Deficit	1,630	485	3,004	2,951	1,300
Difference between the expected and actual return on plan assets:					
Amount	378	573	795	(972)	842
Percentage of plan assets	2%	4%	6%	(8%)	7%
Experience loss/(gain) on plan liabilities:					
Amount	-	-	565	6	(279)
Percentage of present value of plan assets	-	-	3%	-	(2%)

Defined contribution scheme

The cost of contributions to the defined contribution scheme amounted to £1,725,000 (2013: £1,479,000). At the year end £nil (2013: £nil) is included in accruals.

24 Ultimate parent company

The directors regard B. Braun Melsungen AG, a company registered in Germany, as the ultimate parent company and controlling party. According to the register kept by the Company, B. Braun Melsungen AG has a 50% interest in the equity of B. Braun Medical Limited at 31 December 2013 and Aesculap International GmbH, a company registered in Germany, has the remaining 50% interest. Aesculap International GmbH itself is 100% owned by B. Braun Melsungen AG. Copies of the parent's consolidated financial statements may be obtained from PO Box 110, D3508 Melsungen, Germany.

B. Braun Melsungen AG is the smallest and largest group in which these results are consolidated.