Espiner Medical Limited

Directors' Report and Financial Statements

Year Ended 31 March 2017

Registered Number: 02962559

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DIRECTORS AND OTHER INFORMATION

Board of Directors as at 31 March 2017

Conor Costigan
Redmond McEvoy
Harry Keenan
Leslie Deacon

Solicitors

Dixcart Legal
Dixcart House
Addlestone Road
Bourne Business Park
Addlestone
Surrey
KE15 2LE

Pinsent Masons LLP
1 Park Row
Leeds
West Yorkshire
LS1 5AB

Secretary and Registered Office

Anthony O'Connor
Unit 3 Yeobank
Kenn Road
Kenn
Clevedon
Avon
United Kingdom
BS21 6TH

Registered No: 02962559

Auditor

KPMG
Chartered Accountants and Statutory Auditors
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

DIRECTORS' REPORT

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

Principal activities and review of the business
On 1 April 2016, the trade and assets of the Company were transferred to Fannin (UK) Limited, the Company's immediate parent company, at book value. The Company ceased to trade from that date with the trade being carried on by Fannin (UK) Limited. It is not anticipated that the Company will recommence to trade for the foreseeable future.

Results and dividends
The result for the year is set out in the profit and loss account on page 7.

The directors recommend that no dividend be paid in respect of year ended 31 March 2017.

Directors
The names of the persons who were directors at any time during the year ended 31 March 2017 are set out below. Unless indicated otherwise they served as directors for the entire year.

Conor Costigan
Redmond McEvoy
Harry Keenan
Leslie Deacon
James Howard (resigned 25 Oct 2016)

Secretary
The secretary of the company throughout the year was Anthony O'Connor.

Disclosure of information to the Auditors
The directors, who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all steps they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Qualifying third party indemnity provisions
Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the course of the financial year ended 31 March 2017 for the benefit of the then Directors and, at the date of this report, are in force for the benefit of the Directors in relation to certain losses and liabilities which they may incur (or have incurred) in connection with their duties, powers or office.

Financial risk management
The directors do not envisage any foreign exchange or other financial risks within the next twelve months.

Strategic Report
In preparing the directors' report, the directors have taken the small companies exemption under Section 414(b) of the Companies Act 2006 (Strategic and Directors' Report) Regulations 2013, not to prepare a strategic report for presentation with the financial statements.

Subsequent events
The directors confirm to the best of their knowledge that there have been no subsequent events after the year end that would materially affect the financial statements.

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

By order of the board

Leslie Deacon

Leslie Deacon
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

By order of the board

Leslie Deacon

Leslie Deacon
Director

KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ESPINER MEDICAL LIMITED

We have audited the financial statements of Espiner Medical Limited for the year ended 31 March 2017 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and FRS 101 *Reduced Disclosure Framework.*

Opinions and conclusions arising from our audit

1 Our opinion on the financial statements is unmodified

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

2 Our conclusions on other matters on which we are required to report by the Companies Act 2006 are set out below

In our opinion, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' reports:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

3 We have nothing to report in respect of matters on which we are required to report by exception

Under ISAs (UK and Ireland), we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

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

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

We have nothing to report in respect of the above responsibilities.

KPMG

Basis of our report, responsibilities and restrictions on use

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with UK law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

An audit undertaken in accordance with ISAs (UK & Ireland) 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.

In addition, we read all the financial and non-financial information in the Annual Report 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.

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

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.

Ruaidhri Gibbons *[Senior Statutory Auditor]*
for and behalf of KPMG, Statutory Audit Firm,
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

28 April 2017

PROFIT AND LOSS ACCOUNT
Year Ended 31 March 2017

	Notes	2017 £'000	2016 £'000
Turnover	2	-	1,778
Cost of sales		-	(674)
Gross profit		-	1,104
Selling and distribution costs		-	(117)
Administrative expenses		-	(856)
Other operating costs	3	-	(140)
Profit / (loss) on ordinary activities before taxation		-	(9)
Taxation	5	(6)	(87)
Loss for the financial year		(6)	(96)

All of the above results are derived from discontinued activities.

STATEMENT OF COMPREHENSIVE INCOME
Year Ended 31 March 2017

	2017 £'000	2016 £'000
Loss for the financial year	(6)	(96)
Other comprehensive income for the year net of income tax	-	-
Total comprehensive loss for the year	(6)	(96)

BALANCE SHEET
As at 31 March 2017

	Notes	2017 £'000	2016 £'000
Fixed assets			
Tangible assets	6	-	72
		-	72
Current assets			
Stocks	7	-	343
Debtors	8	844	804
Cash at bank and in hand		-	4
		844	1,151
Creditors (amounts falling due within one year)	9	(44)	(155)
Net current assets		800	996
Total assets less current liabilities		800	1,068
Creditors (amounts falling due after more than one year)	10	-	(262)
Net assets		800	806
Capital and reserves			
Called up share capital	12	1	1
Share Premium		55	55
Profit and loss account		744	750
Total shareholders' funds		800	806

The notes on pages 11 to 17 form part of the financial statements.

On behalf of the board:

Leslie Deacon

Leslie Deacon
Director

STATEMENT OF CHANGES IN EQUITY
Year Ended 31 March 2017

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 April 2015	1	55	846	902
Total comprehensive income for the year				
Profit or (loss)	-	-	(96)	(96)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	(96)	(96)
Balance at 31 March 2016	**1**	**55**	**750**	**806**
Total comprehensive income for the year				
Profit or (loss)	-	-	(6)	(6)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	(6)	(6)
Balance at 31 March 2017	**1**	**55**	**744**	**800**

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

Espiner Medical Limited (the "Company") is a company incorporated and domiciled in the UK.

Statement of Compliance
These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework ("FRS 101")*. The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective for financial years commencing 1 January 2015, have also been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU "Adopted IFRS", but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, DCC plc, includes the Company in its consolidated financial statements. The consolidated financial statements of DCC plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from DCC House, Leopardstown Road, Foxrock, Dublin 18, Ireland.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of DCC plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Measurement convention
The financial statements are prepared on the historical cost.

Tangible fixed assets
All tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The annual rates of depreciation are as follows:

Plant and equipment	20 - 33%

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS - continued

1 Accounting policies – continued

Non-derivative financial instruments
Non-derivative financial instruments comprise trade and other debtors, cash and cash equivalents and trade and other creditors.

Trade and other debtors
Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors
Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Stocks
Stocks are valued on the average cost basis, at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items.

Turnover
Turnover comprises the fair value of the sale of goods to external customers net of value added tax, allowances and discounts. Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the customer and when the amount of revenue and costs incurred can be measured reliably. The Company derives its revenue from the sale of a broad range of third party and own-branded pharmaceutical and medical devices.

Operating lease payments
Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

Taxation
Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates and laws enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates and laws enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

NOTES TO THE FINANCIAL STATEMENTS - continued

1 Accounting policies - continued

Foreign currencies
Transactions denominated in foreign currencies relating to revenues, costs and non-monetary assets are translated into pounds at the rates of exchange ruling on the dates on which the transactions occurred. Monetary assets and liabilities denominated in foreign currencies are translated into pounds at the rates of exchange ruling at the balance sheet date. The resulting profits or losses are dealt with in the profit and loss account.

Dividends
Dividends on equity shares are recognised in the financial statements when they have been appropriately approved or authorised by the shareholders and are no longer at the discretion of the Company. Interim dividends declared by the directors are recognised when paid.

2 Turnover

	2017 £'000	2016 £'000
Turnover by geographical market		
United Kingdom	-	731
North America	-	306
Germany	-	251
Other	-	490
	-	1,778

3 Other operating costs

	2017 £'000	2016 £'000
Included in operating profit and loss are the following:		
Group management charge	-	140
	-	140

4 Employee information

	2017 £'000	2016 £'000
The average number of persons employed by the Company including executive directors, during the year was as follows:		
Sales	-	1
Administration	-	22
	-	23

The Company's employment costs for all employees, including executive directors, comprise:

	2017 £'000	2016 £'000
Wages and salaries	-	529
Social security costs	-	52
Directors remuneration	-	29
	-	610

NOTES TO THE FINANCIAL STATEMENTS - continued

5 Taxation

	2017 £'000	2016 £'000
Recognised in the profit and loss account		
UK corporation tax		
Current tax on income for the year	-	(55)
Adjustments in respect of prior periods	(16)	(29)
Total current tax	(15)	(84)
Total deferred tax	10	(3)
Tax on loss on ordinary activities	(6)	(87)

	2017 £'000	2016 £'000
Reconciliation of effective tax rate		
Loss on ordinary activities before taxation	-	(9)
Tax using the UK corporation tax rate of 20% (2016: 20%)	-	(2)
Non-deductible expenses	-	(69)
Adjustments in respect of prior periods	(16)	(29)
Deferred tax	10	(3)
Other	-	16
Tax on profit on ordinary activities	(6)	(87)

6 Tangible assets

	Plant and equipment £'000
Cost	
At 1 April 2016	325
Transferred to group company during the year	(325)
At 31 March 2017	-
Accumulated depreciation	
At 1 April 2016	253
Transferred to group company during the year	(253)
At 31 March 2017	-
Net book value	
At 31 March 2017	-
At 31 March 2016	72

NOTES TO THE FINANCIAL STATEMENTS - continued

7 Stocks

	2017 £'000	2016 £'000
Raw Materials & work in progress	-	217
Goods for resale	-	126
	-	343

8 Debtors

	2017 £'000	2016 £'000
Amounts due within one year		
Trade debtors	-	214
Prepayments and accrued income	-	25
Amount due from group undertakings	844	565
	844	804

9 Creditors (amounts falling due within one year)

	2017 £'000	2016 £'000
Trade creditors	-	32
Accruals	29	22
Corporation Tax	15	84
VAT	-	3
PAYE	-	14
	44	155

10 Creditors (amounts falling due after more than one year)

	2017 £'000	2016 £'000
Amounts falling due after more than one year:		
Deferred Tax	-	10
Accruals	-	252
	-	262

NOTES TO THE FINANCIAL STATEMENTS - continued

11 Deferred tax

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:	Liabilities 2017 £'000	Liabilities 2016 £'000
Tangible fixed assets	-	(10)
Net tax (assets) / liabilities	-	(10)

Movement in deferred tax during the year	1 April 2016 £'000	Recognised in income £'000	Recognised in equity £'000	31 March 2017 £'000
Tangible fixed assets	(10)	10	-	-
	(10)	10	-	-
Movement in deferred tax during the prior year				
Tangible fixed assets	(7)	(3)	-	(10)
	(7)	(3)	-	(10)

12 Called up share capital

	2017 £'000	2016 £'000
Authorised:		
955 ordinary shares of Stg£1 each	1	1
Allotted, called up and fully paid:		
955 ordinary shares of Stg£1 each	1	1

13 Auditor's remuneration

Auditor's remuneration of £1,000 has been borne by another group company.

14 Related party disclosures

Espiner Medical Limited is 59.7% owned by Fannin (UK) Limited and 40.3% owned by Hospiner Partnership Limited, both of which are ultimately owned by DCC plc. FRS 101.8(k) exempts the requirement of IAS 24 "*Related Party Disclosures*" to disclose related party transactions between wholly owned subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS - continued

15 Ultimate parent company and parent company

The Company is a subsidiary undertaking of Fannin (UK) Limited, incorporated in United Kingdom. The ultimate controlling party is DCC plc, incorporated in Ireland.

The smallest and largest group in which the results of the Company are consolidated is that headed by DCC Plc, incorporated in Ireland. The consolidated financial statements of DCC Plc are available to the public and may be obtained from the Company Secretary, DCC House, Leopardstown Road, Foxrock, Dublin 18.

16 Approval of financial statements

The financial statements were approved by the board on 28 April 2017.