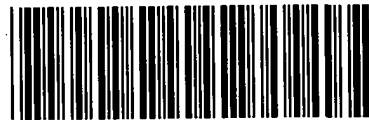


# **Finsbury (Development) Limited**

**Annual report and financial statements**

**For the year ended 28 December 2014**

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**Finsbury (Development) Limited**

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**Finsbury (Development) Limited**

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**Company Information**

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<b>Directors</b>	BG Armstrong AA Faber (resigned 23 March 2015)
<b>Registered number</b>	03446336
<b>Registered office</b>	St Anthonys Road Beeston Leeds West Yorkshire LS11 8DT
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 4th Floor One Reading Central 23 Forbury Road Reading Berkshire RG1 3JH
<b>Bankers</b>	Barclays Bank Plc Level 27 1 Churchill Place London E14 5HP
<b>Solicitors</b>	Lovells LLP Atlantic House Holborn Viaduct London EC1A 2FG

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**Finsbury (Development) Limited**

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**Strategic report**  
**For the year ended 28 December 2014**

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The director presents his Strategic report on the company for the year ended 28 December 2014.

**Principal activities and business review**

Prior to the cessation of trade on 31 July 2011, the principal activity of the company was the research and development of orthopaedic products.

**Future outlook**

The company ceased to trade on 31 July 2011. During 2011 the research and development of orthopaedic products was moved into the control of DePuy. This continued research will be performed both within DePuy and with specific partners. Payments will continue to transact through the company until all assets and liabilities have been settled or resolved.

**Principal risks and uncertainties**

As the company has ceased to trade, the director considers there to be no significant business risks and uncertainties affecting the company for the foreseeable future

This report was approved by the board and signed on its behalf.



.....  
BG Armstrong  
Director

Date: 11/09/2015

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## **Finsbury (Development) Limited**

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### **Director's report For the year ended 28 December 2014**

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The director presents his annual report and the audited financial statements of the company for the year ended 28 December 2014.

#### **Results and dividends**

The profit and loss account for the financial year is set out on page 7.

The company's profit for the financial year is £980 (2013: £3,020). The director does not recommend the payment of a dividend (2013: £nil).

#### **Future outlook**

The director's expectations for the future of the business are set out in the Strategic report included within the annual report and financial statements.

#### **Qualifying third party indemnity provisions**

At the time the report is approved or throughout the year there are no qualifying third party indemnity provisions in place for the benefit of one or more of the directors.

#### **Directors**

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

BG Armstrong  
AA Faber (resigned 23 March 2015)

#### **Statement of director's responsibilities**

The director is responsible for preparing the Strategic report, Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

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**Finsbury (Development) Limited**

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**Director's report**  
**For the year ended 28 December 2014**

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**Disclosure of information to auditors**


The director in office at the time the report is approved confirms:

So far as he is aware, there is no relevant audit information of which the company's auditors are unaware. The director has taken all the steps that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Independent Auditors**

PricewaterhouseCoopers LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place in accordance with s487 of the Companies Act 2006 for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

This report was approved by the board and signed on its behalf.



.....  
BG Armstrong  
Director

Date: 11/09/2015

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## **Finsbury (Development) Limited**

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### **Independent auditors' report to the members of Finsbury (Development) Limited**

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#### **Report on the financial statements**

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##### **Our opinion**

In our opinion Finsbury (Development) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 28 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**

Finsbury (Development) Limited's financial statements, comprise:

- the Balance sheet as at 28 December 2014;
- the Profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation comprises applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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##### **Opinions on matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Director's Report for the financial year which the financial statements are prepared is consistent with the financial statements.

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##### **Other matters on which we are required to report by exception**

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###### **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.

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##### **Directors' remuneration**

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

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**Finsbury (Development) Limited**

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**Independent auditors' report to the members of Finsbury (Development) Limited**

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**Responsibilities for the financial statements and the audit**

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**Our responsibilities and those of the director**

As explained more fully in the Statement of director's responsibilities set out on page 3, the director is 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 & 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.*

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**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 director; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the director's 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.

Gavin Crawford (Senior statutory auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
4th Floor  
One Reading Central  
23 Forbury Road  
Reading  
Berkshire  
RG1 3JH

Date: 23/9/15



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**Finsbury (Development) Limited**

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**Profit and loss account**  
**For the year ended 28 December 2014**

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	Note	Year ended 28 December 2014 £	Year ended 29 December 2013 £
Administrative expenses		(3,210)	-
<b>Operating loss/result</b>	2	<b>(3,210)</b>	-
Interest receivable and similar income	5	4,190	3,935
<b>Profit on ordinary activities before taxation</b>		<b>980</b>	3,935
Tax on profit on ordinary activities	6	-	(915)
<b>Profit for the financial year</b>	10	<b>980</b>	3,020

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

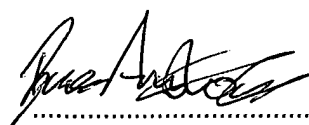
All results are derived from discontinued operations.

The company has no recognised gains or losses other than the results above and therefore no separate statement of total recognised gains and losses has been prepared.

**Balance sheet**  
**As at 28 December 2014**

		28 December 2014		29 December 2013	
	Note	£	£	£	£
<b>Current assets</b>					
Debtors	7	1,155,124		1,361,000	
Cash at bank and in hand		-		5,332	
		<u>1,155,124</u>		<u>1,366,332</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(627,263)</u>		<u>(839,451)</u>	
<b>Net current assets</b>			<u>527,861</u>		<u>526,881</u>
<b>Net assets</b>			<u>527,861</u>		<u>526,881</u>
<b>Capital and reserves</b>					
Called up share capital	9		10		10
Profit and loss account	10		<u>527,851</u>		<u>526,871</u>
<b>Total shareholders' funds</b>	11		<u>527,861</u>		<u>526,881</u>

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



.....  
BG Armstrong  
Director

Date: 11/09/2015

The notes on pages 9 to 13 form part of these financial statements.

**Notes to the financial statements**  
**For the year ended 28 December 2014**

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**1. Principal accounting policies**

**Accounting period**

The accounting year ended 28 December 2014 consists of 52 weeks. For the purposes of these financial statements the year is referred to as 2014. The year ended 29 December 2013 is referred to as 2013.

**Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, until the trade, assets and liabilities were transferred. The principal accounting policies which have been consistently applied throughout the year are set out below.

The director considers that no adjustments would be necessary to convert the financial statements to a break up basis, given that the company has ceased trading.

**Foreign currencies**

Trading transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling when the company entered into the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rate ruling at the balance sheet date. Exchange gains or losses are included in operating profit.

**Dividends**

Dividends paid are accounted for in the period when they are paid.

**Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

**Cash flow statement**

The company is a wholly owned subsidiary of Johnson & Johnson and the cash flows of the company are included in the consolidated financial statements of Johnson & Johnson which are publicly available. Consequently the company is exempt under the terms of FRS 1 (revised 1996) from preparing a cash flow statement.

**Related party transactions**

The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS8, 'Related Party Disclosures', on the grounds that it is a wholly owned subsidiary of a group headed by Johnson & Johnson, whose financial statements are publicly available.

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**Finsbury (Development) Limited**

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**Notes to the financial statements**  
**For the year ended 28 December 2014**

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**2. Operating loss**

The audit fee in respect of the year ended 28 December 2014 has been borne by Finsbury (Instruments) Limited on behalf of the company.

**3. Staff costs**

The company has no employees other than the directors, who did not receive any remuneration (2013: £nil).

**4. Directors' emoluments**

The directors did not receive any emoluments in respect of their services to the company (2013: £nil).

**5. Interest receivable and similar income**

	Year ended 28 December 2014 £	Year ended 29 December 2013 £
Other interest receivable	<u>4,190</u>	<u>3,935</u>

**6. Tax on profit on ordinary activities**

	Year ended 28 December 2014 £	Year ended 29 December 2013 £
UK corporation tax charge on profit for the year	<u>-</u>	<u>915</u>

**Notes to the financial statements**  
**For the year ended 28 December 2014**

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**6. Tax on profit on ordinary activities (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2013: the same as) the standard rate of corporation tax in the UK of 21.50% (2013: 23.25%). The differences are explained below:

	Year ended 28 December 2014 £	Year ended 29 December 2013 £
Profit on ordinary activities before taxation	980	3,935
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.50% (2013: 23.25%)	211	915
<b>Effects of:</b>		
Group relief received	(211)	-
<b>Total current tax charge for the year (see note above)</b>	<b>-</b>	<b>915</b>

**Factors that affecting current and future tax charges**

The standard rate of Corporation Tax in the UK changed from 23% to 21% with effect from 1 April 2014. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 21.50%.

On 2 July 2013 a change in the UK main Corporation Tax rate to 20% was substantively enacted to be in effect from 1 April 2015.

**Deferred tax**

As at 28 December 2014 the company had no deferred tax asset or liability (2013: £nil).

**7. Debtors**

	28 December 2014 £	29 December 2013 £
<b>Amounts falling due within one year</b>		
Amounts owed by group undertakings	1,155,124	1,361,000

All amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

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**Finsbury (Development) Limited**

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**Notes to the financial statements**  
**For the year ended 28 December 2014**

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**8. Creditors: Amounts falling due within one year**

	<b>28 December 2014 £</b>	<b>29 December 2013 £</b>
Amounts owed to group undertakings	<b>627,263</b>	838,536
Corporation tax	-	915
	<b><u>627,263</u></b>	<b><u>839,451</u></b>

*Amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment.*

**9. Called up share capital**

	<b>28 December 2014 £</b>	<b>29 December 2013 £</b>
<b>Authorised</b>		
<b>Allotted, called up and fully paid</b>		
10 ordinary shares of £1 each	<b><u>10</u></b>	<b><u>10</u></b>

**10. Reserves**

	<b>Profit and loss account £</b>
At 30 December 2013	526,871
Profit for the financial year	980
At 28 December 2014	<b><u>527,851</u></b>

**11. Reconciliation of movement in shareholders' funds**

	<b>28 December 2014 £</b>	<b>29 December 2013 £</b>
Opening shareholders' funds	<b>526,881</b>	523,861
Profit for the financial year	<b>980</b>	3,020
Closing shareholders' funds	<b><u>527,861</u></b>	<b><u>526,881</u></b>

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**Finsbury (Development) Limited**

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**Notes to the financial statements**  
**For the year ended 28 December 2014**

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**12. Ultimate parent undertaking and controlling party**

The immediate parent company is Finsbury Orthopaedics Limited.

The director regards Johnson & Johnson, a company registered in the United States of America, as the ultimate parent company and ultimate controlling party. This is the smallest and largest group of which the company is a member and for which group financial statements are prepared. Copies of the consolidated financial statements may be obtained from Johnson & Johnson, One Johnson & Johnson Plaza, New Brunswick, New Jersey 08933, USA.