

Healthcare 21 (UK) Limited

Directors' report and financial statements

Year ended 31 December 2012

Registered number: 05020682

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Healthcare 21 (UK) Limited

Directors' report and financial statements

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Healthcare 21 (UK) Limited

Directors and other information

Directors

Owen Curtin
David Frederick
Tara Kearney
Trevor Rodgers

Secretary

Simon Barrett

Company number

05020682

Registered office

Salisbury House
54 Queens Road
Reading
Berkshire
England
RG1 4AZ

Auditor

KPMG
Chartered Accountants
90 South Mall
Cork

Bankers

Allied Irish Bank plc
380 Birmingham Road
Sutton Coldfield
West Midlands
England
B72 1YH

Solicitors

Barrett & Co Solicitors LLP
Salisbury House
54 Queens Road
Reading
England
RG1 4AZ

Healthcare 21 (UK) Limited

Directors' report

The directors present their report and the audited financial statements of Healthcare 21 (UK) Limited ("the Company") for the year ended 31 December 2012

Principal activities, business review and future developments

The principal activity of the Company is to distribute a range of surgical and medical products to the UK healthcare market

The directors expect the general activity to increase in the foreseeable future

Results and dividends

The results for the year are set out in the profit and loss account on page 7 and the related notes

No dividend was paid during the year (2011 £Nil)

Financial risk management objectives and policies

The Company's operations expose it to a variety of financial risks that include foreign exchange risk, credit risk and liquidity risk. The Company has in place a risk management programme that seeks to manage the financial exposures of the Company and a treasury policy that has been approved by the Board. The policies set out are implemented by the Company's finance department and include specific guidelines to manage exchange risk and credit risk, and circumstances where it would be appropriate to use financial instruments to manage these risks. The Company has implemented policies that require appropriate credit checks on potential customers before sales are made.

Directors and secretary

The following directors and secretary held office through the year and subsequent period to date:

Simon Barrett (secretary)

Owen Curtin

David Frederick, Tara Kearney and Trevor Rodgers were appointed directors on 15 February 2012

Accounting records

The directors believe that they have complied with the requirements of the Companies Act, 2006 with regard to books of account by utilising the services of employees from other group companies with appropriate expertise. The books of account of the Company are maintained at Unit 5 and 6 Westpoint Business Park, Ballincollig, Co. Cork, Ireland.

Healthcare 21 (UK) Limited

Directors' report *(continued)*

Statement of disclosure to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

Political and charitable contributions

The Company made no political or charitable donations or incurred any political expenditure during the year

Employees

The Company's employment policies are aimed at informing, training and motivating all its employees. The Company has an effective system of internal communications that ensures employees are kept well informed about the Company's business.

The health and safety of the Company's employees is of primary concern. It is therefore the policy of the Company to manage its affairs so as to avoid unnecessary and unacceptable risks to the health and safety of its employees.

Post balance sheet events

There were no significant events affecting the Company since the year end.

Independent auditor

During the period, KPMG Chartered Accountants were appointed as auditor. In accordance with Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG will therefore continue in office.

On behalf of the board

David Frederick
Director



26th June 2013

Salisbury House
54 Queens Road
Reading
Berkshire
England
RG1 4AZ

Healthcare 21 (UK) Limited

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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.

Under applicable law the directors are also responsible for preparing a Directors' Report that complies with the law.

On behalf of the board

A handwritten signature in black ink, appearing to read 'David Frederick', written over a horizontal line.

David Frederick
Director



KPMG
Chartered Accountants
90 South Mall
Cork
Ireland

Independent auditor's report to the members of Healthcare 21 (UK) Limited

We have audited the financial statements of Healthcare 21 (UK) Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and independent auditor

As explained more fully in the Directors' Responsibilities Statement 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. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



KPMG
Chartered Accountants
90 South Mall
Cork
Ireland

Independent auditor's report to the members of Healthcare 21 (UK) Limited (*continued*)

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2012 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Emphasis of matter – unaudited prior period financial statements

In forming our opinion on the financial statements, which is not qualified, we note that the prior period financial statements were not audited. Consequently, International Standards on Auditing (UK and Ireland) require the auditor to state that the corresponding figures contained within these financial statements are unaudited.

Opinion on other matters prescribed by the Companies Act 2006

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.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Colin O'Brien: (Senior Statutory Auditor)
for and on behalf of KPMG, Statutory Auditor
Chartered Accountants

90 South Mall
Cork
29 July 2013

Healthcare 21 (UK) Limited

Profit and loss account for the year ended 31 December 2012

		Year ended 31 December 2012	Unaudited year ended 31 December 2011
	<i>Notes</i>		
Turnover	2	825,805	-
Cost of sales		(413,257)	-
		<hr/>	<hr/>
Gross profit		412,548	-
Administration expenses		(416,659)	-
		<hr/>	<hr/>
Operating loss		(4,111)	-
Interest payable	3	(10,427)	-
		<hr/>	<hr/>
Loss on ordinary activities before taxation	4	(14,538)	-
Taxation	7	-	-
		<hr/>	<hr/>
Loss for the year		(14,538)	-
		<hr/>	<hr/>

The Company had no gains or losses in the financial year or the preceding financial year other than those shown in the profit and loss account

Healthcare 21 (UK) Limited

Balance sheet as at 31 December 2012

		31 December 2012 £	31 December 2011 £
	<i>Notes</i>		
Fixed assets			
Tangible assets	8	26,995	-
		<hr/>	<hr/>
Current assets			
Stocks	9	47,014	-
Debtors	10	646,527	-
Cash at bank and in hand		21,745	2
		<hr/>	<hr/>
		715,286	2
Creditors: amounts falling due within one year	11	(110,395)	-
		<hr/>	<hr/>
Net current assets		604,891	2
		<hr/>	<hr/>
Total assets less current liabilities		631,886	2
Creditors: amounts falling due after more than one year	12	(646,324)	-
		<hr/>	<hr/>
Net (liabilities)/assets		(14,438)	2
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	13	100	2
Profit and loss account	14	(14,538)	-
		<hr/>	<hr/>
Shareholders' (deficit)/funds	15	(14,438)	2
		<hr/>	<hr/>

There financial statements were approved by the board of directors on 26th June 2013 and were signed on its behalf

David Frederick
Director

Company registered number 05020682

Healthcare 21 (UK) Limited

Notes

forming part of the financial statements

1 Significant accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements

Basis of preparation

The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention

Going concern

The financial statements have been prepared on a going concern basis, as the immediate parent undertaking Primacy Healthcare 21, has undertaken to provide the necessary funds for it to continue trading as a going concern for the foreseeable future

Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year and derives from the provision of goods falling within the Company's ordinary activities. Turnover is recognised and invoices issued on the dispatch of goods

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions or at a contracted rate. The resulting monetary assets and liabilities are translated at the balance sheet rate or the contracted rate and the exchange differences are dealt with in the profit and loss account

Healthcare 21 (UK) Limited

Notes (continued)

1 Significant accounting policies (continued)

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Current tax is provided on the Company's taxable profits at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded 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 from which the future reversal of the underlying timing differences can be deducted

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Computer equipment	-	33 3% Straight Line
Motor vehicles	-	33 3% Straight Line

Provision is made for any impairment of tangible fixed assets

Stocks

Stocks are stated at the lower of cost and net realisable value on a first in first out basis. Net realisable value is based on normal selling price, less further costs expected to be incurred to completion and disposal

Healthcare 21 (UK) Limited

Notes (continued)

2 Turnover

	Year ended 31 December 2012 £	Unaudited year ended 31 December 2011 £
Class of business		
Medical product sales	825,805	-

As permitted by paragraph 55(5) of Schedule 4 to the Companies Act 1985, turnover is not further analysed as in the opinion of the directors the disclosure of this information would be seriously prejudicial to the interest of the company

3 Interest payable and similar charges

	Year ended 31 December 2012 £	Unaudited year ended 31 December 2011 £
Intercompany loan (note 12)	10,427	-

4 Statutory and other information

	Year ended 31 December 2012 £	Unaudited year ended 31 December 2011 £
Loss on ordinary activities before taxation is stated after charging/(crediting)		
Depreciation of tangible fixed assets	7,489	-
Foreign exchange gains	39	-
Auditor's remuneration – audit of the financial statements	3,000	-
Auditor's remuneration – other fees		
- taxation services	500	-
- secretarial services	250	-

Notes (continued)

Number of employees

Employment costs

Employment costs	Year ended 31 December 2012 £	Unaudited year ended 31 December 2011 £
Wages and salaries	37,919	-
Social welfare costs	4,666	-
	<hr/> 42,585	<hr/> -

Healthcare 21 (UK) Limited

Notes (continued)

6 Directors' remuneration

	Year ended 31 December 2012 £	Unaudited year ended 31 December 2011 £
Remuneration and other emoluments	-	-
Pension contributions	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

7 Tax on loss on ordinary activities

	Year ended 31 December 2012 £	Unaudited year ended 31 December 2011 £
Analysis of charge in year		
Corporation tax	-	-
	<u>-</u>	<u>-</u>
Total current tax charge	<u>-</u>	<u>-</u>

Factors affecting tax charge for year

	Year ended 31 December 2012 £	Unaudited year ended 31 December 2012 £
Loss on ordinary activities before taxation	(14,538)	-
	<u>-</u>	<u>-</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2011 21%)	(2,905)	-
<i>Effects of</i>		
Capital allowances for year greater than capital allowances	(380)	-
Other timing differences	2,800	-
Tax losses	485	-
	<u>-</u>	<u>-</u>
Current tax charge for year	<u>-</u>	<u>-</u>

Healthcare 21 (UK) Limited

Notes (continued)

8 Tangible fixed assets

	Computer equipment £	Motor vehicles £	Total £
<i>Cost</i>			
At beginning of year	-	-	-
Additions in year	3,694	30,790	34,484
	<hr/>	<hr/>	<hr/>
At end of year	3,694	30,790	34,484
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At beginning of year	-	-	-
Charge for the year	647	6,842	7,489
	<hr/>	<hr/>	<hr/>
At end of year	647	6,842	7,489
	<hr/>	<hr/>	<hr/>
<i>Net book values</i>			
At 31 December 2012	3,047	23,948	26,995
	<hr/>	<hr/>	<hr/>
Unaudited at 31 December 2011	-	-	-
	<hr/>	<hr/>	<hr/>

9 Stocks

	31 December 2012 £	Unaudited 31 December 2011 £
Goods for resale	47,014	-
	<hr/>	<hr/>

Healthcare 21 (UK) Limited

Notes (continued)

10 Debtors

	31 December 2012 £	Unaudited 31 December 2011 £
Trade debtors	178,209	-
Other debtors	435,772	-
VAT	32,546	-
	<u>646,527</u>	<u>-</u>

11 Creditors: amounts falling due within one year

	31 December 2012 £	Unaudited 31 December 2011 £
Trade creditors	5,215	-
Accruals and deferred income	105,180	-
	<u>110,395</u>	<u>-</u>

12 Creditors: amounts falling due after one year

	31 December 2012 £	Unaudited 31 December 2011 £
Amounts owed to parent company - funding	646,324	-
	<u>646,324</u>	<u>-</u>

The loan from parent company is subject to interest at 6%, is unsecured and repayable in more than one year

Healthcare 21 (UK) Limited

Notes (continued)

13 Called up share capital

	31 December 2012 £	Unaudited 31 December 2011 £
Authorised equity		
1,000 (2011 1,000) ordinary shares of £1 each	1,000	1,000

Allotted, called up and fully paid

100 (2011 2) ordinary shares of £1	100	2
------------------------------------	-----	---

The issued share capital was increased by the issue of 98 ordinary shares of £1 each at par for cash on 10 March 2012

14 Reserves

	31 December 2012 £	Unaudited 31 December 2011 £
At the beginning of the year	-	-
Loss for the year	(14,538)	-
At end of year	(14,538)	-

15 Reconciliation of movements in shareholders' (deficit)/funds

	31 December 2012 £	Unaudited 31 December 2011 £
Issue of share capital	98	-
Opening shareholders' funds	2	2
Loss for the year	(14,538)	-
Closing shareholders' (deficit)/funds	(14,438)	2

Healthcare 21 (UK) Limited

Notes *(continued)*

16 Immediate and ultimate parent undertaking

Primacy Healthcare 21, an Irish incorporated and resident company, is the Company's parent undertaking, holding 51% of the equity capital of the Company

The ultimate parent undertaking is Primacy Healthcare 21 Holding Co, a company incorporated and resident in the Republic of Ireland

17 Related party transactions

During the year, the Company was charged a management fee of £100,598 by Primacy Healthcare 21. Primacy Healthcare 21 is owed £646,324 (2011 £Nil) as at 31 December 2012 (note 12)

Karen Collins and Arcadien Limited charged a consultancy fee of £30k and £66k respectively during the year

18 Going concern

At the balance sheet date there are net liabilities of £14,438 (2011 net assets of £2) and the Company is dependent on the support of its immediate parent undertaking, Primacy Healthcare 21. Primacy Healthcare 21 has indicated that it will continue to provide financial support to the company for a period of at least 12 months from the date of approval of these financial statements

Based on the undertaking of financial support from Primacy Healthcare 21 the directors believe it appropriate to prepare these financial statements on a going concern basis. The financial statements do not contain any adjustments that would be required if the basis of preparation was inappropriate

19 Post balance sheet events

No events have occurred since year end that require disclosure or amendment in the financial statements

20 Approval of financial statements

The directors approved the financial statements on 26th June 2013