

**Synergy Health US Holdings Limited**

**Strategic report, Directors' report and  
financial statements**

**Registered number 07570745**

**Period ended 30 March 2014**



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## **Company information**

|                          |  |
|--------------------------|--|
| <b>Directors</b>         | G Hill<br>RM Steeves<br>JP Turner<br>T Mason (resigned 23 July 2014)                                   |
| <b>Secretary</b>         | T Mason (resigned 23 July 2014)<br>JP Turner (appointed 23 July 2014)                                  |
| <b>Registered number</b> | 07570745 (England and Wales)   |
| <b>Registered office</b> | Ground Floor Stella<br>Windmill Hill Business Park<br>Whitehill Way<br>Swindon<br>Wiltshire<br>SN5 6NX |
| <b>Auditor</b>           | KPMG LLP<br>St Nicholas House<br>Park Row<br>Nottingham<br>NG1 6FQ                                     |

## **Strategic report**

### **Review of business developments**

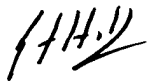
The principal activity of the Company continues to be that of an intermediate holding company within the Synergy Health Group.

The Company is not involved in any trading activity other than the management of its investments.

### **Investments**

The investment balance as at 30 March 2014 was \$73,909,000 (2013: \$73,909,000). The cash generating units of Synergy Health plc were considered for impairment by the Directors of Synergy Health plc, the ultimate parent undertaking of Synergy Health US Holdings Limited, and the balances were considered to be recoverable in full. Therefore, management do not consider the investment balances held within this intermediate holding company impaired.

By order of the board



**G Hill**  
*Director*

18 December 2014

## **Directors' report**

The directors present their directors' report and financial statements for the period ended 30 March 2014.

### **Dividends**

Dividends of \$1,944,000 were received during the year (2013: *nil*) and the directors do not recommend the payment of a dividend.

### **Directors**

The directors who held office during the period and to the date of this report were as follows:

G Hill  
RM Steeves  
JP Turner  
T Mason (resigned 23 July 2014)

### **Disclosure of information 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 they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **Auditor**

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

By order of the board



**G Hill**  
*Director*

Ground Floor Stella  
Windmill Hill Business Park  
Whitehill Way  
Swindon  
Wiltshire  
SN5 6NX

18 December 2014

## **Statement of directors' responsibilities in respect of the strategic report, directors' report and the financial statements**

The directors are responsible for preparing the Strategic Report, 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 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 judgments 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.



## **Report of the independent auditor to the members of Synergy Health US Holdings Limited**

We have audited the financial statements of Synergy Health US Holdings Limited for the period to 30 March 2014 set out on pages 6 to 12. 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 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 Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 March 2014 and of its loss for the period 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.

### **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 period 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.

**Tim Widdas** (Senior Statutory Auditor)

19 December 2014

*for and on behalf of KPMG LLP, Statutory Auditor*  
Chartered Accountants  
St Nicholas House  
Park Row  
Nottingham NG1 6FQ

**Profit and loss account**  
*for the period ended 30 March 2014*

|  | <i>Note</i> | <b>2014</b><br><b>\$000</b> | 2013<br>\$000  |
|--|-------------|-----------------------------|----------------|
| Administrative expenses                            |             | (11)                        | (515)          |
| Dividend income                                    | 3           | 1,944                       | -              |
| Interest receivable and similar income             | 4           | 43                          | 84             |
| Interest payable and similar charges               | 5           | (2,551)                     | (2,273)        |
|  |             | <hr/>                       | <hr/>          |
| <b>Loss on ordinary activities before taxation</b> |             | <b>(575)</b>                | <b>(2,704)</b> |
| Tax on loss on ordinary activities                 | 6           | -                           | -              |
|  |             | <hr/>                       | <hr/>          |
| <b>Loss on ordinary activities after taxation</b>  | <b>12</b>   | <b>(575)</b>                | <b>(2,704)</b> |

All amounts relate to continuing activities.

There were no recognised gains or losses in the current period other than those disclosed in the profit and loss account and therefore no statement of recognised gains and losses has been presented.



**Balance sheet**  
as at 30 March 2014

|   | Note | 2014            | 2013            |
|---|------|-----------------|-----------------|
|   |      | \$000           | \$000           |
| <b>Fixed assets</b>                                   |      |                 |                 |
| Investments   | 7    | 73,909          | 73,909          |
| <b>Current Assets</b>                                 |      |                 |                 |
| Debtors   | 8    | 17,692          | 21,707          |
| <b>Creditors: amounts falling due within one year</b> | 9    | (77,076)        | (80,516)        |
| <b>Net current liabilities</b>                        |      | <b>(59,384)</b> | <b>(58,809)</b> |
| <b>Net assets</b>                                     |      | <b>14,525</b>   | <b>15,100</b>   |
| <b>Capital and reserves</b>                           |      |                 |                 |
| Called-up share capital                               | 10   | 31              | 31              |
| Share premium   | 11   | 19,319          | 19,319          |
| Profit and loss account                               | 11   | (4,825)         | (4,250)         |
| <b>Shareholders' funds</b>                            | 12   | <b>14,525</b>   | <b>15,100</b>   |

These financial statements were approved by the board of directors on 18 December 2014 and were signed on its behalf by:

  
**G Hill**  
Director

Company number – 07570745

## **Notes**

*(forming part of the financial statements)*

### **1 Accounting policies**

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

#### ***Basis of preparation***

The financial statements are made up to the nearest weekend to 31 March each year. The current accounting period is 52 weeks in length (2013: 52 weeks in length).

The financial statements are presented in US dollars. This is the functional and presentational currency of the Company.

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Under FRS 1 (revised) the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As the Company is a wholly owned subsidiary of Synergy Health plc, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Synergy Health plc, within which this Company is included, can be obtained from the address given in note 13.

#### ***Going concern***

The financial statements have been prepared on a going concern basis (notwithstanding net current liabilities of \$59,384,000 which include a net intercompany creditor of \$55,787,000). The entity does not trade; however, it has the support of its parent undertaking in order to meet liabilities as they fall due. As with any company placing reliance on other group entities, the directors acknowledge that there can be no certainty that this support will continue, although at the date of approval of these financial statements they have no reason to believe that it will not do so.

#### ***Foreign currency***

Transactions denominated in foreign currencies are translated into US dollars at the exchange rate ruling at the date of transaction and monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate ruling at the balance sheet date. All gains and losses on translation are included in the profit and loss account.

#### ***Investments***

Investments in subsidiary undertakings are stated at cost less amounts written off for any permanent diminution in value of investment.

#### ***Taxation***

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

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

## Notes (continued)

### 2 Notes to the profit and loss account

The auditor's remuneration has been borne by the ultimate parent company.

The directors' remuneration has been borne by the ultimate parent company.

### 3 Dividend income

|   | 2014<br>\$000 | 2013<br>\$000 |
|---|---------------|---------------|
| Dividends received from subsidiary undertakings | <u>1,944</u>  | <u>-</u>      |

### 4 Interest receivable and similar income

|  | 2014<br>\$000 | 2013<br>\$000 |
|--|---------------|---------------|
| Interest receivable from group companies | <u>43</u>     | <u>84</u>     |

### 5 Interest payable and similar charges

|                                     | 2014<br>\$000 | 2013<br>\$000 |
|-------------------------------------|---------------|---------------|
| Interest payable to group companies | <u>2,551</u>  | <u>2,273</u>  |

### 6 Tax on loss on ordinary activities

*Taxation is based on the loss for the period and comprises:*

|                     | 2014<br>\$000 | 2013<br>\$000 |
|---------------------|---------------|---------------|
| <i>Current tax:</i> |               |               |
| Total tax charge    | <u>-</u>      | <u>-</u>      |

The current tax charge for the period is higher (2013: higher) than the standard rate of corporation tax in the UK of 23% (2013: 24%). The difference is explained below:

|  | 2014<br>\$000 | 2013<br>\$000  |
|--|---------------|----------------|
| Loss on ordinary activities before taxation                      | <u>(575)</u>  | <u>(2,704)</u> |
| Tax on loss on ordinary activities before tax at 23% (2013: 24%) | (132)         | (649)          |
| Expenses not deductible for tax purposes                         | (447)         | 124            |
| Surrender of group losses  | 579           | 525            |
| Total current tax charge   | <u>-</u>      | <u>-</u>       |

## Notes (continued)

### 6 Tax on loss on ordinary activities (continued)

A reduction in the UK corporation tax rate from 24% to 23% (effective from 1 April 2013) was substantively enacted on 3 July 2012, and further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the Company's future current tax charge accordingly

### 7 Fixed asset investments

Investments in Group undertakings are:

|                 | 2014<br>\$000 | 2013<br>\$000 |
|-----------------|---------------|---------------|
| Opening balance | 73,909        | 50,100        |
| Additions       | -             | 24,011        |
| Adjustment      | -             | (202)         |
| Closing balance | <u>73,909</u> | <u>73,909</u> |

During the prior period, the Company acquired 100% of the issued shares of SRI/Surgical Express Inc ('SRI'), a NASDAQ-listed healthcare business incorporated in Florida, as part of its strategy to enter the HSS market. Since acquisition the company has been renamed Synergy Health North America, Inc. The total consideration paid was \$24,011,000.

The Company holds directly 100% of the issued share capital of the following subsidiaries:

|                                   | Equity owned<br>by the<br>Company<br>% | Country of<br>incorporation | Principal activity           |
|-----------------------------------|--|-----------------------------|------------------------------|
| Synergy Health AST LLC            | 100                                    | US                          | Medical device sterilisation |
| Synergy Health North America, Inc | 100                                    | US                          | Hospital Sterilisation       |
| Synergy Health New York, LLC      | 100                                    | US                          | Hospital Sterilisation       |

### 8 Debtors

|                                    | 2014<br>\$000 | 2013<br>\$000 |
|------------------------------------|---------------|---------------|
| Amounts owed by group undertakings | <u>17,692</u> | <u>21,707</u> |

### 9 Creditors: amounts falling due within one year

|                                      | 2014<br>\$000 | 2013<br>\$000 |
|--------------------------------------|---------------|---------------|
| Bank overdraft                       | 3,597         | 7,002         |
| Amounts due to other group companies | 73,479        | 73,514        |
|                                      | <u>77,076</u> | <u>80,516</u> |

## Notes (continued)

### 10 Called up share capital

|                                    | 2014<br>\$000 | 2013<br>\$000 |
|------------------------------------|---------------|---------------|
| <i>Issued and fully paid</i>       |               |               |
| 31,346 ordinary shares of \$1 each | <u>31</u>     | <u>31</u>     |

During the prior period the company issued 16,902 ordinary shares of \$1 each for a total consideration of \$9,600,000.

### 11 Share premium and reserves

|                        | Share<br>premium<br>\$000 | Profit and<br>loss account<br>\$000 |
|------------------------|---------------------------|-------------------------------------|
| Opening balance        | 19,319                    | (4,250)                             |
| Loss for the period    | -                         | (575)                               |
| <b>Closing balance</b> | <u><b>19,319</b></u>      | <u><b>(4,825)</b></u>               |

### 12 Reconciliation of movements in shareholders' funds

|                                     | 2014<br>\$000        | 2013<br>\$000        |
|-------------------------------------|----------------------|----------------------|
| Loss for the financial period       | <u>(575)</u>         | <u>(2,704)</u>       |
| Retained loss                       | (575)                | (2,704)              |
| Issue of shares                     | <u>-</u>             | <u>9,600</u>         |
| Net movement in shareholders' funds | (575)                | 6,896                |
| Opening shareholders' funds         | 15,100               | 8,204                |
| <b>Closing shareholders' funds</b>  | <u><b>14,525</b></u> | <u><b>15,100</b></u> |

### 13 Ultimate parent company

The ultimate parent company is Synergy Health plc, a company incorporated in the United Kingdom.

The results of Synergy Health US Holdings Limited are included in the consolidated financial statements of Synergy Health plc. Copies of the consolidated financial statements of Synergy Health plc can be obtained from the following address:

Ground Floor Stella, Windmill Hill Business Park, Whitehill Way, Swindon, Wiltshire, SN5 6NX.

**Notes** *(continued)*

**14 Related party transactions**

In accordance with paragraph 3(c) of FRS 8 'Related party transactions' the Company is exempt from disclosing details or arrangements with other companies in the Synergy Health Group.

**15 Contingent liabilities**

The Company operates as part of a Group of companies headed by Synergy Health plc. The Company, along with a number of other Group companies, has provided guarantees to lenders to Synergy Health plc.