

Registered Number 1409596

A & E Karner Limited

Report and financial statements
for the year ended 30 September 2013

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COMPANIES HOUSE

A & E Karner Limited

Directors and advisors

Directors

E De Gres

M Stefani

Secretary and registered office

J Pascucci

4500 Parkway

Whiteley

Fareham

Hampshire, PO15 7NY

Auditor

Deloitte LLP

Chartered Accountants and Statutory Auditor

St Albans, United Kingdom

A & E Karner Limited

Directors' report for the year ended 30 September 2013

The directors present their annual report and audited financial statements for the year ended 30 September 2013. This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Principal activities and review of the business

The company ceased to trade in 2006. The company's profit in the year relates principally to the release of pension related accruals made for previous financial years which are no longer required. Due to the transfer of the A&E Karner Limited Retirement Benefit Pension Scheme to the Covidien UK Pension Plan in 2009, a balance of £872,715 payable in 2012 to CDK Limited, has been recognised as a capital contribution in the current financial year to clear the financial statements of all pension liabilities. It is intended that the company will transfer its remaining assets to another group company at which point the company's activities will be wound down and the company liquidated.

Results and dividends

The company made a profit of £1,761 in the current year (2012: loss of £244,368). The directors are unable to recommend the payment of a dividend (2012: £nil).

Going concern

The directors of the company do not believe that A&E Karner Limited should be considered a going concern. The directors intend to liquidate the company in the foreseeable future.

On the basis of the above assessment the directors have prepared the financial statements on a basis other than that of a going concern. There have been no material adjustments to the financial statements as a result of preparing the financial statements on this basis.

Directors

The directors of the company who served throughout the year, and up to the date of this report, were:

E De Gres
M Stefani

Directors' indemnity

Liability insurance cover for directors and officers of the company was maintained during the year.

A & E Karner Limited

Directors' report for the year ended 30 September 2013 (continued)

Directors' responsibility statement

The directors are responsible for preparing the Annual 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 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 the 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 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.


Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006. Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By order of the Board


Erik De Gres
Director
23/05/2014

A & E Karner Limited

Independent auditor's report to the members of A & E Karner Limited

We have audited the financial statements of A&E Karner Limited for the year ended 30 September 2013 which comprise the profit and loss account, the balance sheet and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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' Report, 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

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. 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.

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 September 2013 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.

A & E Karner Limited

Independent auditor's report to the members of A & E Karner Limited (continued)

Emphasis of matter – Financial statements prepared on a basis other than that of a going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Opinion on other matter 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; or
- the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report or preparing the directors' report.



Matthew Hall (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
St Albans, United Kingdom

2nd JUNE 2014

A & E Karner Limited

Profit and loss account for the year ended 30 September 2013

	Note	2013 £	2012 £
Administration expenses		97,211	(132,147)
Operating profit/(loss)	3	97,211	(132,147)
Interest payable and similar charges	4	(95,450)	(112,221)
Profit/(loss) on ordinary activities before taxation		1,761	(244,368)
Tax on profit/(loss) on ordinary activities	5	-	-
Profit/(loss) for the financial year	12	1,761	(244,368)

All activities derive from discontinued operations.

There have been no other recognised gains and losses in either the current or the prior year. Accordingly, a Statement of Total Recognised Gains and Losses has not been presented

A & E Karner Limited

Balance sheet as at 30 September 2013

	Note	2013 £	2012 £
Fixed assets			
Investments	6	-	-
Current assets			
Debtors	7	53,583	24,139
Creditors - amounts falling due within one year	8	(9,756,635)	(10,601,667)
Net current liabilities		(9,703,052)	(10,577,528)
Total assets less current liabilities		(9,703,052)	(10,577,528)
Provision for liabilities and charges	10	(134,667)	(134,667)
Net liabilities		(9,837,719)	(10,712,195)
Capital and reserves			
Called up share capital	11	4,150,000	4,150,000
Capital contribution	15	872,715	-
Profit and loss account	12	(14,860,434)	(14,862,195)
Shareholder's deficit	13	(9,837,719)	(10,712,195)

The financial statements of A&E Karner Limited, registered number 1409596, were approved by the board of directors and authorised for issue on 23/05/2014 and were signed on its behalf by:


Erik De-Gres
Director

A & E Karner Limited

Notes to the financial statements for the year ended 30 September 2013

1 Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards. The principal accounting policies adopted, which have been applied consistently in the current and preceding year, are described below.

Going concern

The directors intend to liquidate the company in the foreseeable future. As required by FRS 18 Accounting Policies, the directors have prepared the financial statements on the basis that the company is no longer a going concern. No material adjustment arose as a result of ceasing to apply the going concern basis.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment in value.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is provided in full on timing differences, which 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 rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. 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.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. Translation differences arising are dealt with in the profit and loss account.

Leases

Operating lease rentals are charged to the profit and loss account in equal annual amounts over the lease term.

Cash flow statement

As permitted by Financial Reporting Standard No 1 (Revised 1996) "Cash Flow Statements", the company has not included a cash flow statement as part of its financial statements because the consolidated accounts of its ultimate parent undertaking, Covidien Plc, are publicly available.

A & E Karner Limited

Notes to the financial statements for the year ended 30 September 2013

1 Accounting policies (continued)

Provisions

Provisions are recognised when: the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are discounted where the time value of money is material. Dilapidation provisions comprise the cost of work required to restore each lease property to its original condition as required under the lease. Provisions are not recognised for future operating losses.

Related party transactions

Under the provisions of Financial Reporting Standard No 8 "Related Party Disclosures" the company has not disclosed details of related party transactions with other group companies as its ultimate parent company prepares publicly available consolidated financial statements which include the company.

Finance costs

Finance costs of financial liabilities are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

2 Directors and employees

The directors who held office during the year received no remuneration (2012: £nil) for their services to the company.

The company had no employees during the year ended 30 September 2013 or the previous financial year.

3 Operating profit/(loss)

	2013 £	2012 £
<hr/> Operating profit/(loss) is stated after charging/(crediting):		
Operating lease rentals		
Land and buildings	103,000	88,000
Fees payable to the company's auditor for the audit of the company's annual financial statements:		
For the year ending 2012	-	8,000
For the year ending 2013	8,000	-
Net loss/(gain) on foreign currency translation	477	(785)

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Notes to the financial statements for the year ended 30 September 2013

4 Interest payable and similar charges

	2013 £	2012 £
Interest payable to group companies	95,450	112,221

5 Tax on profit/(loss) on ordinary activities

	2013 £	2012 £
Adjustment to withholding tax in respect of previous periods	-	-
Tax on profit/(loss) on ordinary activities	-	-

The tax assessed for the year is different to the standard rate of corporation tax in the UK of 23.51% (2012: 25.02%). The differences are explained below:

	2013 £	2012 £
Profit/(loss) on ordinary activities before tax	1,761	(244,368)
Tax on profit/(loss) on ordinary activities at standard rate	414	(61,132)
Factors affecting charge for the year:		
Expenses not deductible for tax	2,150	34,431
Tax losses not recognised	(27,535)	-
Thin capitalisation adjustment	-	27,877
Group relief surrendered/(received) not paid for	24,971	(1,176)
Total amount of current	-	-

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5 Tax on profit/(loss) on ordinary activities (continued)

The Finance Act 2013, which provides for reductions in the main rate of corporation tax from 23% to 21% effective from 1 April 2014 and to 20% effective from 1 April 2015, was substantively enacted on 2 July 2013. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

6 Investments held as fixed assets

	Other unlisted investments £	Total £
Net book value		
At 30 September 2013	-	-
At 30 September 2012	-	-

The company had the following investments in group undertakings at the end of the year:

Name	Country of incorporation or registration	Proportion of voting rights and ordinary share capital held	Nature of business
Karner Europe GmbH	Germany	21.6%	Non-trading company

7 Debtors

	2013 £	2012 £
Prepayments and accrued income	53,583	24,139

A & E Karner Limited

8 Creditors – amounts falling due within one year

	2013 £	2012 £
Trade creditors	6,541	27,460
Amounts owed to group undertakings	9,702,001	10,546,709
Accruals and deferred income	48,093	27,498
	9,756,635	10,601,667

9 Deferred taxation

The unrecognised deferred tax asset is analysed as follows:

	2013 £	2012 £
Losses	(237,833)	(313,897)

The deferred tax asset above has not been recognised as it is considered more likely than not that it will not be utilised in the foreseeable future. The deferred tax asset can be utilised if sufficient suitable future profits are made from the same trade. Any losses are subject to agreement by HM Revenue & Customs.

A & E Karner Limited

10 Provision for liabilities and charges

	Dilapidation provision
	£
At 1 October 2012 and 30 September 2013	(134,667)

At 30 September 2013, the company had a provision of £134,667 in relation to property dilapidation expenses which will be payable upon expiration of the lease on 18 December 2014. The provision is not discounted.

11 Called up share capital

	2013 £	2012 £
Allotted, called up and fully paid		
4,150,000 ordinary shares of £1 each	4,150,000	4,150,000

12 Profit and loss account

	£
At 1 October 2012	(14,862,195)
Profit for the financial year	1,761
At 30 September 2013	(14,860,434)

13 Reconciliation of movements in shareholder's deficit

	2013 £	2012 £
Capital contribution	872,715	-
Profit/(loss) for the financial year	1,761	(244,368)
Opening shareholder's deficit	(10,712,195)	(10,467,827)
Closing shareholder's deficit	(9,837,719)	(10,712,195)

A & E Karner Limited

14 Operating lease commitments

Annual commitments under non-cancellable operating leases are as follows:

	2013 £	2012 £
Land and buildings		
Operating leases which expire:		
Within one year	88,000	-
Within two to five years	-	88,000

15 Pension arrangements

On 16 December 2009 the assets and liabilities of A&E Karner Limited Retirement Benefit Pension Scheme, the trust operating the company's defined benefit pension scheme, were transferred to the Covidien UK Pension Plan. A liability of £872,715 arose on transfer of the pension scheme to the Covidien UK Pension Plan which was payable to the group undertaking assuming the pension scheme liability. The company has received confirmation from CDK Limited, an entity in the Covidien Group which holds the Covidien UK Pension Plan, that no amount is payable by the company to CDK Limited. Accordingly, the balance has been recognised in the current year's reserves as a capital contribution from CDK Limited.

16 Immediate and ultimate parent company

The company's immediate parent company is Covidien Group S.a.r.l., a company incorporated in Luxembourg.

The ultimate parent company and controlling party is Covidien Plc, a company incorporated in Ireland. Covidien Plc is the parent undertaking of the smallest and largest group of which A & E Karner Limited is a member and for which group accounts are drawn up. Copies of its financial statements can be obtained from the company at Covidien Plc, 20 Lower Hatch Street, Dublin 2, Ireland.