

**NOVACARE UK LIMITED**

**Registered Number 03196506**

**DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

WEDNESDAY



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# **NOVACARE UK LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2013**

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# **NOVACARE UK LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report and the financial statements of the Company for the year ended 31 December 2013.

The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. Consequently a Strategic Report has not been presented.

### **PRINCIPAL ACTIVITY**

The Company has been dormant for the year, the principal activity of the Company during the prior year was the dispensing and supply of Ostomy products. On 1 December 2012 the Company integrated its trade into Amcare Limited, the parent company and ceased to trade. Accordingly these financial statements have been prepared on a basis other than a going concern. Following the hive up, the balances held with Amcare Limited were settled. All distributable reserves were then repaid via a distribution back to the parent company Amcare Limited.

### **RESULTS AND DIVIDENDS**

The profit for the year after taxation was £nil (2012: £135,611). The Directors have made a distribution of £nil for the year (2012: £1,933,334).

### **GOING CONCERN**

As described above during the prior year the Company hived its trade up to Amcare Limited, and ceased to trade. Accordingly the financial statements have been prepared on a basis other than a going concern basis. Further information is disclosed in note 1 to the financial statements.

### **DIRECTORS**

The directors who served during the year and to the date of this report are as follows:

R Heginbotham

S J Taylor

T Winston (Resigned 21 May 2014)

J Cannon (Appointed 29 May 2014)

## **NOVACARE UK LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

#### **AUDITOR**


Each of the persons who is a director of the Company 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 they ought to have taken as a director in order to make themselves 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 provision of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office and accordingly a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved and signed on behalf of the Board of Directors



S J Taylor  
Director  
19 June 2014

GDC  
First Avenue  
Deeside Industrial Park  
Deeside  
Flintshire  
CH5 2NU

## **NOVACARE UK LIMITED**

### **DIRECTORS' RESPONSIBILITIES 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 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 accounting estimates that are reasonable and prudent; 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.

## **NOVACARE UK LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NOVACARE UK LIMITED**

We have audited the financial statements of Novacare UK Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 15. 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' Responsibilities Statement, 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 to 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 31 December 2013 and of its result 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.

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

In forming our opinion on the financial statements, which is not modified 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**

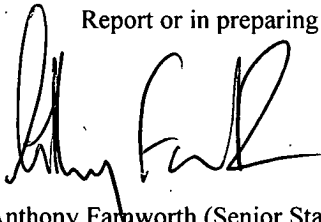
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NOVACARE UK LIMITED (CONTINUED)**

### **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 exemptions from preparing a Strategic Report or in preparing the Directors' Report.



Anthony Farworth (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Manchester, United Kingdom  
19 June 2014

# NOVACARE UK LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 £	2012 £
<b>TURNOVER</b>	3	-	460,285
Cost of sales		-	(292,114)
		<hr/>	<hr/>
<b>GROSS PROFIT</b>			168,171
Administrative expenses		-	(32,560)
		<hr/>	<hr/>
<b>OPERATING PROFIT, BEING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	-	135,611
Tax on profit on ordinary activities	5	-	-
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	11,12	-	135,611

All results are derived from discontinued activities.

There are no recognised gains or losses for the year or prior year other than shown in the above Profit and Loss Account. Consequently a separate Statement of Total Recognised Gains and Losses has not been presented.

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



# NOVACARE UK LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2013

	Note	2013 £	2012 £
<b>CURRENT ASSETS</b>			
Debtors	9	<u>2</u>	<u>2</u>
<b>NET CURRENT ASSETS</b>		<u>2</u>	<u>2</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES, BEING NET ASSETS</b>		<u>2</u>	<u>2</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	2	2
Profit and loss account	11	<u>-</u>	<u>-</u>
<b>SHAREHOLDER'S FUNDS</b>	12	<u>2</u>	<u>2</u>

The financial statements of Novacare UK Limited, registration number 03196506, were approved by the Board of Directors and authorised for issue on 19 June 2014. They were signed on its behalf by:



S J Taylor  
Director

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**1 ACCOUNTING POLICIES**

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding year.

**Basis of Preparation**

The financial statements have been prepared under the historical cost convention in accordance with applicable law and United Kingdom accounting standards.

**Going Concern**

As explained in the Directors' Report, the Company integrated its trade and assets during prior year into Amcare Limited and therefore effectively ceased to trade. As required by Financial Reporting Standard 18, the financial statements have been prepared on a basis other than that of a going concern, which includes where appropriate writing down the Company assets to net realisable value. No adjustment arose as a result of this change of basis. The financial statements do not include any costs incurred since the balance sheet date or any provision for the future costs of the business of the Company except to the extent that such costs were committed at the balance sheet date.

**Taxation**

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

Deferred taxation 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. Timing differences are differences between the Company's taxable profits and its results as stated in the profit and loss account that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax assets are regarded as recoverable and recognised in the financial statements when, on the basis of available evidence, it is more likely than not that there will be suitable taxable profits from which the future reversal of the timing differences can be deducted.

Deferred tax is measured at the standard rate of tax that is expected to apply in the periods in which the timing differences are expected to reverse. Deferred tax assets and liabilities recognised have not been discounted.

**Operating Leases**

Operating lease rentals are charged to the profit and loss account on a straight line basis, over the lease term.

## **NOVACARE UK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2013**

#### **2 CASH FLOW STATEMENT**

The Company has taken advantage of the exemption granted by Financial Reporting Standard 1 (Revised): Cash Flow Statements to wholly owned subsidiaries of a parent undertaking presenting a group cash flow statement whose financial statements are publicly available. Accordingly no cash flow statement has been prepared.

#### **3 TURNOVER**

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied to customers during the financial year. Turnover is recognised at the point of despatch.

Turnover is attributable to one discontinued activity, the dispensing and supply of Ostomy products.

Turnover consists entirely of sales made in the United Kingdom.

#### **4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

Profit on ordinary activities before taxation is stated after charging:

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Amortisation of intangible fixed assets	-	17,500
Impairment of intangible fixed assets	-	15,060
	<hr/>	<hr/>

The audit fee for the year of £1,000 (2012: £2,500) is borne by the parent undertaking. No other services were provided by the auditor in either the current or prior year.

# NOVACARE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2013

### 5 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2013 £	2012 £
<b>Current tax:</b>		
UK Corporation tax on profits for the year	-	-
Tax on profit on ordinary activities	-	-

The differences between the current tax shown above and the amount calculated by applying the standard rate of UK Corporation tax to the profit before tax is as follows:

	2013 £	2012 £
Profit on ordinary activities before tax	-	135,611
Profit on ordinary activities multiplied by blended rate in the United Kingdom 23.25% (2012: 24.50%)	-	33,225
Effects of :		
Permanent differences	-	7,977
Group relief received for nil consideration	-	(41,202)
UK Corporation tax for the year	-	-

### 6 STAFF COSTS

The average number of persons employed, excluding directors, by the Company during the year was as follows:

	2013 Number	2012 Number
Administration	-	2

Payroll costs are borne by another group undertaking and are not recharged to the Company.

### 7 DIRECTORS' EMOLUMENTS

Directors' emoluments are paid by a fellow Group undertaking and are not recharged to the Company. The allocation of their remuneration to services performed for Novacare UK Limited was £nil (2012: £nil).

Directors received no benefits for their services from the Company.

### 8 DIVIDENDS

	2013 £	2012 £
Amounts recognised as distributions to equity holders in the year:		
Interim dividend paid £nil (2012: £966,667) per £1 ordinary share	-	1,933,334

# NOVACARE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2013

### 9 DEBTORS

	2013 £	2012 £
Amounts owed from group undertakings	<u>2</u>	<u>2</u>
	<u>2</u>	<u>2</u>

### 10 CALLED-UP SHARE CAPITAL

	2013 £	2012 £
Allotted, called-up and fully paid		
2 Ordinary Shares of £1 each	<u>2</u>	<u>2</u>

### 11 RESERVES

	Called-up Share capital £	Profit and Loss account £	Total Shareholder's funds	
			2013 £	2012 £
At 1 January	2	-	2	1,797,725
Dividend paid in the year	-	-	-	(1,933,334)
Profit for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>135,611</u>
At 31 December	<u>2</u>	<u>-</u>	<u>2</u>	<u>2</u>

## NOVACARE UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2013

#### 12 RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	2013 £	2012 £
Profit for the year	-	135,611
Dividend paid in the year	-	(1,933,334)
Net reduction to shareholder's funds	-	(1,797,723)
Opening shareholder's funds	2	1,797,725
Closing shareholder's funds	2	2

#### 13 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption available under Financial Reporting Standard 8: Related Party Disclosures and accordingly has not disclosed related party transactions with members of other group companies.

#### 14 CONTINGENT LIABILITY

The ultimate parent undertaking has secured borrowings against the underlying assets of various subsidiaries within the group, including those of Novacare UK Limited. These outstanding borrowings totalled \$3.0 billion at 31 December 2013 (2012: \$3.0 billion).

#### 15 ULTIMATE PARENT UNDERTAKING

In the opinion of the directors, the ultimate controlling party is a consortium of private equity firms led by Nordic Capital and also including Avista Capital Partners. The ultimate parent undertaking is Cidron Healthcare Limited, which is incorporated in Jersey. The immediate parent undertaking is Amcare Limited, which is registered in England. Consolidated financial statements for ConvaTec Healthcare A S.a.r.l, the largest and smallest Group to consolidate the results of this Company, can be obtained from The Manager, ConvaTec Healthcare A S.a.r.l., 7A Rue Robert Stumper L-2557 Luxembourg, Grand Duchy of Luxembourg.