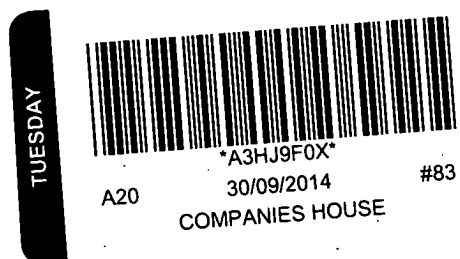


# **Healthcare Services Group Limited**

**Annual Report and financial statements**

**Year ended 31 December 2013**

**Company registration number: 3290933**



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## **Company information**

### **Directors**

D Evans  
M Groeneveld  
R Siegel

### **Secretary**

AG Secretarial Limited

### **Registered Office**

1 Progress Park  
Bedford  
MK42 9XE

### **Auditors**

KPMG LLP  
Altius House  
One North Fourth Street  
Milton Keynes  
MK9 1NE

### **Principle Bankers**

Royal Bank of Scotland  
2 St Philips Place  
Birmingham  
B3 2RB

## Directors' report

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

### Principal activities

The principal activities of the subsidiary companies during the year were the provision of specialist distribution and warehousing services mainly to the pharmaceutical industry and the provision of sales order processing for customers. Healthcare Services Group Limited acts as a holding company.

### Review of the business and future developments

There was a loss of £67,114 for the year ended 31 December 2013, after taxation (2012: loss of £206,819).

The directors do not propose the payment of a dividend for the year ended 31 December 2013 (2012: £nil)

### Directors

The following were directors of the company during the year ended 31 December 2013:

D Evans	appointed 16 June 2014
R Atkinson	resigned 16 June 2014
A Clarke	resigned 31 March 2014
M Groeneveld	appointed 21 March 2014
R Siegel	appointed 21 March 2014

### Directors' interests in shares

The directors have no interests in the share capital of the company.

### Directors' qualifying third party indemnity provisions

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

### Going concern assessment

On the basis of the directors assessment of the financial position of the company, they have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future and will be able to meet its obligations as they fall due. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### 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 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.

### Auditors

Pursuant to Section 487 of the Companies Act 2006, KPMG LLP were appointed as auditors of the company and will therefore continue in office.

By order of the Board



D Evans  
Director

25 September 2014

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing 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 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:*

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEALTHCARE SERVICES GROUP LIMITED

We have audited the financial statements of Healthcare Services Group Limited for the year ended 31 December 2013 as set out on pages 5 to 10. 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 auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, 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 31 December 2013 and of its loss 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.

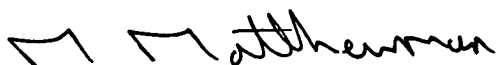
### Opinion on other matter prescribed by the Companies Act 2006

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.
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



Mark Matthewman (Senior Statutory Auditor)  
For and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
Altius House  
One North Fourth Street  
MK9 1NE

Date: 29.9.14

# **Profit and Loss account**

		Year ended 31 December 2013 £	Year ended 31 December 2012 £
	<i>Notes</i>		
Operating expenses		-	(273,933)
Loss on ordinary activities before taxation	1	-	(273,933)
Taxation	3	(67,114)	67,114
Retained loss for the financial year	8	<u>(67,114)</u>	<u>(206,819)</u>

The results shown above are derived entirely from continuing operations.

There were no recognised gains or losses during the current or preceding period other than the loss for the financial period shown above.

Notes on pages 7 to 10 form part of the financial statement.

# Balance Sheet

	Note	31 December 2013 £	31 December 2012 £
<b>Fixed Assets</b>			
Investments	4	2,233,340	2,233,340
		<u>2,233,340</u>	<u>2,233,340</u>
<b>Current assets</b>			
Debtors	5	3	67,114
<b>Current Liabilities</b>			
Creditors: amounts falling due within one year	6	<u>(1,212,412)</u>	<u>(1,212,409)</u>
<b>Net current liabilities</b>		<u>(1,212,409)</u>	<u>(1,145,295)</u>
<b>Net Assets</b>		<u><u>1,020,931</u></u>	<u><u>1,088,045</u></u>
<b>Capital and reserves</b>			
Called-up share capital	7	268,204	268,204
Share premium	8	751,031	751,031
Capital redemption reserve	8	7,500	7,500
Profit and loss account	8	(5,804)	61,310
<b>Shareholders' funds</b>		<u><u>1,020,931</u></u>	<u><u>1,088,045</u></u>

Notes on pages 7 to 10 form part of the financial statement.

These financial statements were approved by the board of directors on 28 September 2014 and were signed on its behalf by:



D Evans  
Director



## **Accounting policies (forming part of the financial statement)**

### **Accounting policies**

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

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom.

### **Consolidated accounts**

The Company has taken advantage of the exemption under Section 400 of the Companies Act 2006 not to prepare consolidated accounts as the company is itself a wholly subsidiary and it is included in the accounts of a larger group as detailed in note 10. Accordingly, these accounts present information about the company only and not about its group.

### **Cash flow statement**

Under FRS 1 the Company is exempt from the requirement to prepare cash flow on the grounds that a party undertaking includes the Company in its owned published consolidated financial statements.

### **Investments**

Shares held in subsidiary companies are shown at cost, less provision for diminution in value.

### **Deferred taxation**

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 financial statements 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 is measured at the average tax rates that are expected to apply in the periods in which 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.

### **Foreign currencies**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in

### **Related party transactions**

The company is a wholly owned subsidiary of Owens and Minor, Inc., the group financial statements of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 8 'Related party disclosures' from disclosing transactions with wholly owned members of the Owens and Minor, Inc. group.

## Notes to the financial statements

### 1 Loss on ordinary activities before taxation

The company's loss on ordinary activities before taxation was all derived from its principal activity wholly undertaken in the United Kingdom.

All audit fees are paid through Movianto UK Limited. No element is recharged to the individual companies within the business unit.

	2013	2012
	£	£
Loss on ordinary activities before taxation is stated after charging / (crediting):		
Management fees	-	286,626
Bank charges	-	256
Profit on exchange	-	(12,949)

### 2 Employees

The company employed no staff during the year. The two directors are also directors of Movianto UK Limited, Healthcare Product Services Limited and Pharmacare Logistics Limited and one of the directors is also a director of Movianto Transport Solutions Limited. All companies are viewed together as one business unit, a subsidiary of Healthcare Services Group Limited. The two directors (2012: two) were members of a defined contribution pension scheme. The two directors received total remuneration for the year of £324,000 (2012: £322,000) inclusive of pension contributions of £35,000 (2012: £35,000), all of which was paid by Movianto UK Limited. Movianto UK Limited paid the remuneration for both directors for services provided to the business unit. The directors do not believe that it is practicable to apportion the amounts between their services as directors of the company and their services as directors of other companies in the business unit.

### 3 Taxation

#### a) Tax on loss on ordinary activities

The tax credit is made up as follows:

	2013	2012
	£	£
UK corporation tax	-	(67,114)
Tax on loss on ordinary activities (note 3(b))	-	(67,114)

#### b) Factors affecting the current tax credit

The tax assessed on the profit on ordinary activities for the year is higher than (2012: higher than) the profit on ordinary activities before tax multiplied by the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are reconciled below:

	2013	2012
	£	£
Loss on ordinary activities before tax	-	(273,933)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012: 24.5%)	-	(67,114)
Transfer pricing adjustment	(2,856)	(9,310)
Adjustment in respect of prior years	67,114	(10,070)
Group relief	2,856	19,380
Total current tax (note 3(a))	67,114	(67,114)

No provision for deferred taxation arises in 2013 (2012: £nil)

#### c) Factors that may affect future tax charges

A reduction in the standard rate of corporation tax from 24% to 23% was effective from 1 April 2013. Finance Act 2013 provides for a further reduction in the standard rate of tax from 23% to 21% effective from 1 April 2014 and to 20% effective from 1 April 2015. This change was substantially enacted on 2 July 2013.

## Notes to the financial statements

### 4 Investments

	2013	2012
	£	£
Cost:		
At 1 January 2013 and 31 December 2013	<u>2,233,340</u>	<u>2,233,340</u>
Net book value:		
At 1 January 2013 and 31 December 2013	<u>2,233,340</u>	<u>2,233,340</u>

The company holds 100% of the equity share capital and 100% of the voting rights of the following companies, all of which are registered in England and Wales.

Subsidiary Undertaking	Principal activity
Movianto UK Limited	Distribution and warehousing services to the pharmaceutical industry.
Healthcare Product Services Limited	Provision of sales order processing for customers.
Pharmacare Logistics Limited (Indirect)	Provision of sales order processing and warehousing for customers.
Movianto Transport Solutions Limited	Provision of overseas freight forwarding services to existing Movianto Group clients

### 5 Debtors: amounts falling due within one year

	2013	2012
	£	£
Amounts owed to group undertakings	3	-
Corporation tax	-	67,114
	<u>3</u>	<u>67,114</u>

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

	2013	2012
	£	£
Amounts owed to group undertakings	1,212,393	1,212,001
Bank overdraft	19	408
	<u>1,212,412</u>	<u>1,212,409</u>

### 7 Share capital

	2013	2012
	£	£
Authorised:		
Equity interests:		
3,600,000 ordinary shares of 50p each	1,800,000	1,800,000
Non equity interests:		
200,000 preference shares of £1 each	200,000	200,000
	<u>2,000,000</u>	<u>2,000,000</u>
Allotted, issued and fully paid		
Equity interests:		
536,408 ordinary shares of 50p each	<u>268,204</u>	<u>268,204</u>

## Notes to the financial statements

### 8 Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Profit and loss account:		
1 January 2013	61,310	268,129
Loss for the year	(67,114)	(206,819)
31 December 2013	<u>(5,804)</u>	<u>61,310</u>
Share Capital:		
Opening shareholders' funds	<u>268,204</u>	<u>268,204</u>
Closing shareholders' funds	<u>268,204</u>	<u>268,204</u>
Share Premium:		
Opening shareholders' funds	<u>751,031</u>	<u>751,031</u>
Closing shareholders' funds	<u>751,031</u>	<u>751,031</u>
Capital redemption reserve:		
Opening shareholders' funds	<u>7,500</u>	<u>7,500</u>
Closing shareholders' funds	<u>7,500</u>	<u>7,500</u>
Total Shareholders' funds	<u>1,020,931</u>	<u>1,088,045</u>

### 9 Ultimate parent undertaking and ultimate controlling party

The only group in which Healthcare Services Group is consolidated is that headed by Owens and Minor, Inc., whose principal place of business is at Richmond, Virginia, USA. The group financial statements of Owens and Minor, Inc. are available to the public and may be obtained from 9120 Lockwood Boulevard, Mechanicsville, Virginia, USA.