

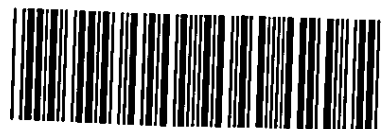
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# **Cardinal Health UK 433 Limited**

## **Report and Financial Statements**

30 June 2009

TUESDAY



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COMPANIES HOUSE

# Cardinal Health UK 433 Limited

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Registered No 3409865

## **Directors**

J M Gomez

## **Auditors**

Ernst & Young LLP  
1 Bridgewater Place  
Water Lane  
Leeds  
LS11 5QR

## **Registered Office**

Eversheds House  
70 Great Bridgewater Street  
Manchester  
M1 5ES

Registered No 3409865

## Directors' report

The directors present their report and financial statements for the year ended 30 June 2009

### Principal activity

The company's principal activity is that of acting as the holding company of subsidiaries involved in the manufacture and sale of pharmaceutical products to hospitals, retail pharmacies and wholesalers in the UK and overseas

### Results and dividends

The results for the year are set out on page 6. No dividend was paid during the year (2008 £nil). The directors do not recommend the payment of a final dividend.

During the year the company's immediate parent undertaking, Cardinal Health UK 432 Limited, waived the accrued redemption premium on the loan note due to Cardinal Health UK 432 Limited by the company, amounting to £47,849,000. This amount, which had been charged to the profit and loss account in prior years, has been credited to the profit and loss account in the year.

Cardinal Health UK 432 Limited also waived the indebtedness due on the loan note, amounting to £66,000,000 in consideration for which the company issued to Cardinal Health UK 432 Limited 660,000,000 ordinary shares of 10p each fully paid at par value.

### Principal risks and uncertainties facing the company

As the company has no trade, but acts as a holding company, the directors do not consider that the company is subject to any significant risks and uncertainties.

### Directors

The present directors are shown on page 1. J M Gomez was appointed on 1 December 2009. A G Oades, M Sillitto and L S Harty resigned on 1 December 2009.

### Disclosure of information to the auditors

As at the date of this report, as far as each director is aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken such steps as he should have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the Board



J M Gomez  
Director

26 March 2010

## **Statement of directors' responsibilities in respect of the financial statements**

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). The financial statements are required by law to 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 those 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to 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 auditors' report****to the members of Cardinal Health UK 433 Limited**

We have audited the financial statements of Cardinal Health U K 433 Limited for the year ended 30 June 2009 which comprise the Profit and loss account, the Balance Sheet, and the related notes 1 to 12. 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 members those matters we are required to state to them in an auditors' 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 Directors' Responsibilities Statement 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 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.

**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 June 2009 and of its profit for the year 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.

**Independent auditors' report**

to the members of Cardinal Health UK 433 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



Alastair JR Nuttall (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP (Statutory auditor)  
Leeds

29 March 2010

## Profit and loss account

for the year ended 30 June 2009

	Notes	2009 £000	2008 £000
Interest payable and similar charges	2	45,573	(2,994)
<b>Profit/(loss) on ordinary activities before taxation</b>	3	<u>45,573</u>	<u>(2,994)</u>
Tax on profit/(loss) on ordinary activities	4	638	886
<b>Profit/(loss) on ordinary activities after taxation</b>	9	<u>46,211</u>	<u>(2,108)</u>

All of the company's operations during the year related to continuing operations

There is no difference between the profit/(loss) on ordinary activities before taxation and its historical cost equivalent

There were no recognised gains or losses other than the profit/(loss) for the financial year, and therefore a separate statement of total recognised gains and losses has not been presented

## Balance sheet

as at 30 June 2009

	Notes	2009 £000	2008 £000
<b>Fixed assets</b>			
Investments	5	68,033	68,033
<b>Current assets</b>			
Debtors: amounts falling due within one year	6	18,090	17,452
<b>Total assets less current liabilities</b>		86,123	85,485
<b>Creditors</b> , amounts falling due after more than one year	7	(2,295)	(113,868)
<b>Net assets/(liabilities)</b>		83,828	(28,383)
<b>Capital and reserves</b>			
Called up share capital	8	66,088	88
Share premium account		634	634
Profit and loss account	9	17,106	(29,105)
<b>Shareholders' funds</b>	10	83,828	(28,383)

The financial statements were approved for issue by the board of directors and signed on its behalf by

J M Gomez  
Director

26 March



2010

## Notes to the financial statements

at 30 June 2009

### 1. Accounting policies

#### *Basis of preparation*

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

#### *Consolidated accounts*

The company is exempt from preparing group financial statements by virtue of S401 of the Companies Act 2006

#### *Investments*

Investments are stated at cost less provision for any impairment

#### *Cash flow statement*

The company is a wholly owned subsidiary of Cardinal Health Inc and is included in the consolidated financial statements of that company. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996)

#### *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

Deferred tax 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, or a right to pay less, tax in the future have occurred at the balance sheet date, with the following exceptions

- i) Provision is made for gains on disposal of fixed assets that have been rolled over into replacement assets only where, at the balance sheet date, there is a commitment to dispose of the replacement assets with no likely subsequent rollover or available capital losses
- ii) Provision is made for gains on revalued fixed assets only where there is a commitment to dispose of the revalued assets and the attributable gain can neither be rolled over nor eliminated by capital losses
- iii) Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

#### *Convertible loan stock*

Prior to waiver of the obligations under the convertible loan stock, allowances made in respect of the redemption premium on the convertible loan stock were included in the profit and loss account with interest payable

## Notes to the financial statements

at 30 June 2009

### 2. Interest payable and similar charges

	2009 £000	2008 £000
Interest on loan from intermediate parent company	2,276	2,317
(Write-back)/increase in redemption liability of loan from intermediate parent company	(47,849)	677
	<u>(45,573)</u>	<u>2,994</u>

### 3. Profit/(loss) on ordinary activities before taxation

The company had no employees during the year or the preceding year. The directors receive no emoluments in their capacity as directors of the company.

### 4. Tax on profit/(loss) on ordinary activities

	2009 £000	2008 £000
Group Relief	638	886

The tax credit for the year arises because of the surrender of group relief to other group companies.

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 28% (2008 – 29.5%). The differences are explained below.

	2009 £000	2008 £000
Profit/(loss)/profit on ordinary activities before taxation	45,573	(2,994)
Profit/(loss)/profit on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK of 28% (2008 – 29.5%)	12,760	(886)
Non taxable income	(13,398)	-
Current tax credit for the year	<u>(638)</u>	<u>(886)</u>

## Notes to the financial statements

at 30 June 2009

### 5. Investments

Shares in subsidiary undertakings

Cost	£000
At 1 July 2008 and 30 June 2009	68,033

The company's principal operating subsidiary undertakings at 30 June 2009 were

	<i>Proportion of voting rights held</i>	<i>No and value of share capital held</i>	<i>Principal activity</i>
Macarthy Limited	100%	28,904,496 20p ordinary shares  266,704 £1 6% "B" cumulative preference shares  413,555 £1 5 5% "B" cumulative preference shares	Holding company
Macarthy's Laboratories Limited *	100%	3,500,000 £1 ordinary shares	Manufacture and sale of pharmaceutical products
Martindale Pharmaceuticals Limited *	100%	100 £1 ordinary shares	Holding company
Martindale Pharmaceuticals GmbH *	70%	€17,500 ordinary shares	Manufacture and sale of pharmaceutical products

\* owned by a subsidiary undertaking

All subsidiary undertakings are registered in England and Wales, except Martindale Pharmaceuticals GmbH, which is incorporated in Germany

### 6. Debtors

	<i>2009 £000</i>	<i>2008 £000</i>
Amounts due from subsidiary undertakings (due within one year)	16,566	16,566
Corporation tax	1,524	886
	<u>18,090</u>	<u>17,452</u>

## Notes to the financial statements

at 30 June 2009

### 7. Creditors: amounts falling due after more than one year

	2009 £000	2008 £000
Amounts due to group undertakings	2,285	9
Convertible unsecured 2.841% loan stock repayable 2011	-	113,849
Redeemable preference shares of £1 each	10	10
	<u>2,295</u>	<u>113,868</u>

Amounts due to group undertakings bear no interest and have no fixed repayment terms

The authorised redeemable preference share capital is 67,330,000 £1 shares, of which 10,000 have been issued

During the year the company's immediate parent undertaking, Cardinal Health UK 432 Limited, waived the indebtedness due on the convertible unsecured 2.841% loan stock due to Cardinal Health UK 432 Limited by the company, amounting to £66,000,000, in consideration for which the company issued to Cardinal Health UK 432 Limited 660,000,000 ordinary shares of 10p each fully paid at par value. Cardinal Health UK 432 Limited also waived the accrued redemption premium on the convertible unsecured 2.841% loan stock due to Cardinal Health UK 432 Limited by the company, amounting to £47,849,000.

### 8. Called up share capital

	No	£000
Ordinary shares of 10p each		
<i>Authorised</i>		
At 1 July 2008	674,183,353	67,418
Increase in authorised share capital in the year	659,992,500	65,999
At 30 June 2009	<u>1,334,175,853</u>	<u>133,417</u>
<i>Issued</i>		
At 1 July 2008	875,853	88
Increase in share capital in the year	660,000,000	66,000
At 30 June 2009	<u>660,875,853</u>	<u>66,088</u>

660,000,000 ordinary shares of 10p each were issued at par value during the year in consideration for the waiver of the indebtedness due under the loan note (note 7)

### 9. Reserves

	Profit and loss account £000
At 1 July 2008	(29,105)
Profit on ordinary activities after taxation	46,211
At 30 June 2009	<u>17,106</u>

## Notes to the financial statements

at 30 June 2009

### 10. Reconciliation of movements in shareholders' funds

	2009 £000	2008 £000
Opening shareholders deficit	(28,383)	(26,275)
Profit/(loss) on ordinary activities after taxation	46,211	(2,108)
Increase in share capital	66,000	-
Closing shareholders' funds/(deficit)	83,828	(28,383)

### 11. Related party transactions

Advantage has been taken on the exemption under FRS 8 "Related Party Transactions" with entities that are part of the Cardinal Health Inc group on the grounds that all the voting rights are controlled by that company

### 12. Ultimate parent undertaking

Cardinal Health Inc, a company incorporated in the United States of America, is the company's ultimate parent company and controlling party, and is the parent undertaking of the group in which the company is consolidated. The consolidated financial statements of Cardinal Health Inc are available to the public and may be obtained from the Investor Relations Department, Cardinal Health Inc, 7000 Cardinal Place, Dublin, Ohio 43017, United States of America, or [www.cardinal.com](http://www.cardinal.com)