

Registered Number: 3515896

BESPAK EUROPE LIMITED

REPORT AND ACCOUNTS

PERIOD FROM 4 MAY 2008 to 30 APRIL 2009

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BESPAK EUROPE LIMITED

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BESPAK EUROPE LIMITED

OFFICERS AND ADVISERS

Directors

J M Glenn
T R Woolrych

Company secretary and general counsel

R Allnutt

Registered Office

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Breakspear Way
Hemel Hempstead
Hertfordshire
HP2 4UL
United Kingdom

Registered Number

3515896

Auditors

PricewaterhouseCoopers LLP
Exchange House
Central Business Exchange
Midsummer Boulevard
Central Milton Keynes
MK9 2DF

Bankers

Barclays Bank plc
78 Turners Hill
Cheshunt
Hertfordshire
EN8 9BW

National Westminster Bank Plc
4 Tuesday Market Place
King's Lynn
Norfolk
PE30 1YY

BESPAK EUROPE LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the Company for the period from 4 May 2008 to 30 April 2009.

General information

The Company is a limited liability company incorporated and domiciled in the United Kingdom.

Principal activities

The principal activities of the Company are the design, development, manufacture and sale of drug delivery technologies and services to the pharmaceutical industry.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties are reliance upon key customers, the supply chain, regulatory risk, key employee retention, pension risk and business continuity. Further discussion of these key risks and uncertainties, in the context of the Group as a whole, is provided in the Directors' Report within Consort Medical plc's annual report which does not form part of this report.

Results

The profit after tax for the period was £7.332 million (2008: £7.884 million) which will be transferred to reserves. A dividend of 2.0 pence per ordinary share totalling £7.970 million was paid on 16 October 2008 (2008: 1.8 pence per share, total cost £7.173 million).

Review of business and future developments

The Company designs, manufactures and sells metered dose inhalation (MDI) valves, actuators and accessories used to deliver respiratory drugs to the lung. The business also provides a comprehensive range of device-related services to pharmaceutical and drug delivery companies.

The financial key performance indicators (KPIs) of the Company are revenue, operating profit, profit before tax and operating cash flow. These have been discussed on a group-wide basis, including the Company, in the section "Results and Dividends" of the Directors' Report within the Group's annual report which does not form part of this report.

The Company is increasing the breadth of its offering in the MDI market to consolidate its position as a market leader. This increased offering includes the development of new valve ranges, dose counters and other services. It is also engaged with major pharmaceutical companies to develop dry powder inhaler (DPI) technologies for mass manufacture.

Directors

The directors who served during the period are shown below:

J M Owen (resigned 27 February 2009)

P V Boughton (resigned 7 October 2008)

T R Woolrych (appointed 7 October 2008)

J M Glenn (appointed 27 February 2009)

BESPAK EUROPE LIMITED

DIRECTORS' REPORT (continued)

Directors' and officers' liability insurance

Insurance cover has been arranged in respect of the personal liabilities which may be incurred by directors and officers of the Company in the course of their service with the Group.

Charitable donations and political contributions

During the period the Company made contributions amounting to £4,675 (2008: £14,991). Of this total £585 (2008: £12,073) was donated to local charities and community development programmes, £40 (2008: £1,352) to healthcare related charities and £4,050 (2008: £1,566) to local educational establishments. Employees participated in various charitable fundraising activities during the period in aid of local and national healthcare related charities.

Research and development

The Company has a programme of continuous investment in its product development activities relating to its drug delivery business. During the period the Company incurred £3.070 million (2008: £3.907 million) of research and development expenditure.

Financial risk

The Company's operations expose it to a variety of financial risks that include the effects of credit risk and currency risk.

1. Credit Risk- the Company has implemented policies that require appropriate credit checks on potential customers before sales over a certain limit are made.
2. Currency Risk- the Company is a sterling dominated company which receives a proportion of its income in US dollars. The Company uses forward contracts to manage its transaction exposure.
3. Interest Rate Risk- the Company has no bank loans but does operate an overdraft facility. Interest rate risk is, therefore, minimal.
4. Liquidity Risk - The Company ensures that its margins are sufficient to exceed normal operating costs and is cash generative.
5. Price Risk – the Company is not exposed to commodity price risk.

More information on financial instruments is given in note 24 to the accounts.

Employee involvement

The Company is an equal opportunity employer. It is committed to giving fair and equal treatment to all employees and job applicants in terms of recruitment, pay conditions, promotions, training and all employment matters regardless of their race, sex, ethnic background or religious beliefs, sexual preference or disabilities. An equal opportunities policy is in force. The Company also believes that all employees have a right to work in an environment free from discrimination and bullying. It places special responsibility upon its managers to ensure its policy is in effect.

The Company is committed to maximising the level of employee involvement in its business at all levels. Appropriate training is given to staff to enable them to do their jobs to the best of their ability and comprehensive learning resources are available to all employees. The performance review system allows employees to discuss career opportunities and development, to receive guidance in achieving their goals within the Company and to create development plans. In addition employees are encouraged, through sponsorship or a contribution to costs, to study for job-related accreditations.

BESPAK EUROPE LIMITED

DIRECTORS' REPORT (continued)

Employee involvement (continued)

The Company is committed to achieving the highest levels of quality and operates to the internationally recognised quality standard ISO9001/9002 and the medical advice standard ISO13485. Staff work within a defined quality system and are trained in practices of "Good Manufacturing Practice". Quarterly briefings are given to employees to keep them informed of matters concerning the business including financial and economic factors affecting the performance of the Company.

The Company takes a proactive approach to consultation with employees on a variety of work related issues through the use of an All Company Employee Consultative Forum (ECF). This Forum is made up of nominated representatives who meet with the senior managers on a quarterly basis. To be eligible for nomination employees must hold a permanent job in the Company. Elections are held regularly every 2 years and more frequently if required.

Eligible employees in the UK participate in the Group's performance through share option schemes, performance related bonus schemes and Consort Medical plc's Share Incentive Plan.

Disability policy

It is the Company's policy to give full consideration to applicants for employment from disabled persons. Opportunities also exist for employees of the Company who become disabled to continue in their employment or to be trained for other positions within the Company.

Payment policy

It is the Company's policy to negotiate the most advantageous terms from its suppliers and so the terms of payment vary. Once terms of business are agreed with a supplier it is our policy to abide by those terms subject to satisfactory performance of the transaction concerned. The Company's average creditor payment period at 30 April 2009 was 42 days (2008: 35 days).

Auditors

Pursuant to section 487(2) of the Companies Act 2006 the Company is not required to annually re-appoint auditors.

Audit information

In the case of each director, so far as each is aware, there is no relevant audit information of which the Company's auditors are unaware. Each director has taken all the steps he or she needs to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the board.



R Allnutt
Secretary
7 October 2009

BESPAK EUROPE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union 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.

BESPAK EUROPE LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BESPAK EUROPE LIMITED

We have audited the financial statements of Bepak Europe Limited for the period from 4 May 2008 to 30 April 2009 which comprise the Income Statement, the Statement of Recognised Income and Expense, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Sections 495 and 496 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 April 2009 and of its profit and cash flows for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 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.



Jackie Bradshaw (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Milton Keynes
7 October 2009

BESPAK EUROPE LIMITED

INCOME STATEMENT

For the period from 4 May 2008 to 30 April 2009

		2009	2008
		£000	£000
Continuing operations	Notes		
Revenue from products and services		9,560	6,034
Revenue from tooling and equipment		74,594	88,745
Revenue	2	84,154	94,779
Operating expenses	3	(71,205)	(85,737)
Operating profit before special items		14,333	15,367
Special items	3	(1,384)	(6,325)
Operating profit		12,949	9,042
Finance income	6	1,324	1,480
Finance expenses	7	(16)	(13)
Other finance (expenses)/income	8	(276)	2
Profit before tax and special items		15,365	16,836
Special items	3	(1,384)	(6,325)
Profit before tax		13,981	10,511
Taxation	9	(6,649)	(2,627)
Profit for the financial period		7,332	7,884

STATEMENT OF RECOGNISED INCOME AND EXPENSE

For the period from 4 May 2008 to 30 April 2009

		2009	2008
		£000	£000
	Notes		
Actuarial (losses)/gains on defined benefit scheme	19	(5,392)	1,483
Current tax on share-based payments		15	2
Deferred tax on actuarial losses/(gains)		1,510	(566)
Deferred tax on share-based payments		(114)	(110)
Net (expense)/income recognised directly in equity		(3,981)	809
Profit for the financial period		7,332	7,884
Total recognised income for the period	21	3,351	8,693

BESPAK EUROPE LIMITED

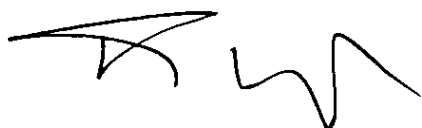
BALANCE SHEET

At 30 April 2009

	Notes	2009 £000	2008 £000
Assets			
Non-current assets			
Property, plant and equipment	10	40,831	41,538
Intangible assets	11	744	1,004
Investment in subsidiary	12	91	-
Deferred taxation	9	-	161
		41,666	42,703
Assets classified as held for sale	12	-	5,789
Current assets			
Inventories	13	6,658	6,709
Trade and other receivables	14	42,247	42,017
Cash and cash equivalents	15,16	197	1,223
		49,102	49,949
Liabilities			
Current liabilities			
Bank overdrafts	16	(93)	(1)
Trade and other payables	17	(11,455)	(12,462)
Current tax payable		(3,627)	(1,899)
Provisions and other liabilities	18	(1,959)	(5,494)
		(17,134)	(19,856)
Liabilities of subsidiary held for sale	12	-	(5,698)
		(17,134)	(25,554)
Net current assets		31,968	24,395
Non-current liabilities			
Deferred taxation	9	(1,044)	-
Defined benefit pension scheme deficit	19	(12,081)	(7,759)
		(13,125)	(7,759)
Total assets		60,509	65,128
Equity			
Ordinary shares	20	39,850	39,850
Share premium	21	6,000	6,000
Retained earnings	21	14,659	19,278
Total equity		60,509	65,128

The financial statements on pages 7 to 42 were approved by the Board on 7 October 2009 and signed on its behalf by:

Director:
T.R. Woolrych



BESPAK EUROPE LIMITED

CASH FLOW STATEMENT

For the period from 4 May 2008 to 30 April 2009

	Notes	2009 £000	2008 £000
Cash flows from operating activities			
Operating profit from continuing operations		12,949	9,042
Depreciation		5,545	5,387
Amortisation		800	331
Impairment charge		1,338	6,683
Allocation of customer settlement against impairment		-	(2,687)
(Profit)/loss on disposal of property, plant and equipment		(149)	235
Loss on disposal of software		16	-
Decrease in inventories		51	1,950
Decrease in trade and other receivables		4,685	1,620
Decrease in trade and other payables		(521)	(6,692)
(Decrease)/increase in provisions		(3,286)	5,094
(Increase)/decrease in financial instruments		(181)	160
Cash generated from continuing operations		21,247	21,123
Interest paid		(16)	(13)
Tax paid		(2,305)	(3,527)
Net cash inflow from operating activities		18,926	17,583
Cash flows from investing activities			
Net loans to group companies		(4,736)	(7,550)
Purchases of property, plant and equipment		(7,007)	(8,056)
Purchases of intangible assets		(444)	(136)
Proceeds from sale of property, plant and equipment		384	37
Allocation of customer settlement		-	2,687
Interest received		1,324	1,480
Acquisition of subsidiary held exclusively for resale		-	(91)
Net cash used in investing activities		(10,479)	(11,629)
Cash flows from financing activities			
Equity dividends paid to shareholders		(7,970)	(7,173)
Payment to fund defined benefit pension scheme deficit	19	(1,595)	(1,740)
Net cash used in financing activities		(9,565)	(8,913)
Net decrease in cash, cash equivalents and bank overdrafts		(1,118)	(2,959)
Cash, cash equivalents and bank overdrafts at the start of the period		1,222	4,181
Cash, cash equivalents and bank overdrafts at the end of the period		104	1,222
Cash and cash equivalents	15,16	197	1,223
Bank overdrafts	16	(93)	(1)
Cash, cash equivalents and bank overdrafts at the end of the period	16	104	1,222

BESPAK EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Presentation of the financial statements and accounting policies

Compliance with applicable law and IFRSs

The financial statements have been prepared in accordance with the Companies Act 2006, Article 4 of the IAS Regulation and International Accounting Standards and International Financial Reporting Standards (collectively referred to as IFRSs) and related interpretations, as adopted for use in the European Union in all cases.

Financial period

These financial statements cover the financial period from 4 May 2008 to 30 April 2009, with comparative figures for the 53 weeks ended 3 May 2008:

Accounting convention

The financial statements have been prepared on the going concern basis using the historical cost convention, modified for certain items carried at fair value, as stated in the accounting policies.

Accounting principles and policies

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Critical accounting estimates and judgements are discussed further below.

The financial statements have been prepared in accordance with the Company's accounting policies as approved by the Board.

Foreign currencies

Items included in the financial statements of Bepak Europe Limited are measured using the currency of the primary economic environment in which the entity operates. The financial statements are presented in sterling, which is the measurement currency of its parent company.

Foreign currency transactions are translated into Sterling using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities dominated in foreign currencies are recognised in the income statement except where hedge accounting is applied.

Revenue

Revenue from sales of products is recognised when the risks and rewards of ownership pass to the customer, and is stated net of value added tax and other sales taxes. Revenue from sales of services is recognised in the period in which the related chargeable costs are incurred or when revenue is earned under contractual obligations. Revenue from sales of tooling and equipment is recognised on acceptance by the customer.

Expenditure

Expenditure is recognised in respect of goods and services received when supplied in accordance with contractual terms.

BESPAK EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. Presentation of the financial statements and accounting policies (continued)

Research and development expenditure

In respect of internal product development expenditure, Bepak Europe Limited currently considers that it is not possible to demonstrate with sufficient certainty that a project will be commercially viable prior to customer and regulatory approval. Consequently, until customers and regulatory approval is received, expenditure on research and development is expensed as incurred.

Post retirement benefits

The Company participates in the parent company's defined benefit scheme. In respect of the Group's defined benefit scheme, the employer's portion of the past and current service cost is charged as an operating expense, with the interest cost net of expected return on assets in the plans reported as a financing item. Actuarial gains or losses are recognised directly in full in the statement of recognised income and expense such that the consolidated balance sheet reflects the scheme's surplus or deficit as at the balance sheet date.

The Company participates in a defined contribution scheme. In respect of defined contribution schemes, contributions to defined contribution plans are charged to operating profit as they become payable.

Share-based payments

The parent company operates a number of executive and employee share schemes. For all grants of share options and awards, the fair value as at the date of grant is calculated using an option pricing model and the corresponding expense is recognised over the vesting period. The cost of share schemes is apportioned between Group companies.

Special items

To improve the understanding of the Company's financial performance, items which do not reflect the underlying business are presented in special items. Currently plant closure costs, including impairment of related fixed assets, and restructuring expenses are presented in special items.

Property, plant and equipment

Property, plant and equipment are stated at cost including any incidental costs of acquisition less accumulated depreciation. The cost of fixed assets (less the current expected residual value) is written off on a straight-line basis over their expected useful lives as follows:

- Freehold buildings and leasehold buildings	30 to 50 years
- Cleanrooms	20 years
- Building services	10 to 20 years
- Plant, equipment and vehicles	3 to 10 years

Cleanrooms and building services are categorised within plant and equipment. Land is not depreciated.

Assets under construction

The costs of property, plant and equipment are capitalised as incurred and are not depreciated until such time as the assets are commissioned, when the total costs are transferred to the appropriate asset category.

BESPAK EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. Presentation of the financial statements and accounting policies (continued)

Intangible fixed assets

Intangible fixed assets, including software, licenses and distribution rights, are capitalised at cost and amortised on a straight-line basis over their estimated useful economic lives. The estimated useful life of an intangible asset ranges between 3 and 20 years, depending on its nature.

Impairment of assets

The carrying values of property, plant and equipment, and intangible assets with finite lives are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Where it is not possible to identify separate cash flows relating to individual assets, the Company estimates the recoverable amount of the cash-generating unit to which it belongs.

Leasing commitments

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

Inventories

Inventories and work in progress are stated at the lower of cost and net realisable value. Cost comprises the direct cost of production and the attributable portion of overheads based on normal operating capacity appropriate to location and condition. Cost is determined on a first in, first out basis.

Cash and cash equivalents

For the purpose of the cash flow statement, cash comprises cash on hand and on-demand deposits, and cash equivalents comprise highly liquid investments that are convertible into cash with an insignificant risk of changes in value with original maturities of less than three months. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Finance income and expenses

Interest receivable and payable on bank deposits and borrowings is credited or charged to finance income and expenses as incurred.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as other finance expenses.

A contingent liability is disclosed where the existence of an obligation will only be confirmed by future events or where the amount of the obligation cannot be measured with reasonable reliability. Contingent assets are not recognised, but are disclosed where an inflow of economic benefits is probable.

BESPAK EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. Presentation of the financial statements and accounting policies (continued)

Trade receivables

Trade receivables do not carry interest and are stated at their initial value reduced by appropriate allowances for estimated irrecoverable amounts. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Trade payables

Trade payables on normal terms are not interest-bearing and are stated at their nominal value.

Dividends

Dividends are recorded in the financial statements in the period in which they are approved by the Company's shareholders. Interim dividends are recorded in the period in which they are approved and paid.

Taxation

The charge for current taxation is based on the results for the period as adjusted for items that are non-assessable or disallowed. It is calculated using rates that have been enacted, or substantially enacted, by the balance sheet date.

Deferred taxation is accounted for in full using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognised for all taxable temporary differences except in respect of investments in subsidiaries where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised. Their carrying amount is reviewed at each balance sheet date on the same basis.

Deferred tax is measured on an undiscounted basis, and at the tax rates which are expected to apply in the periods in which the asset or liability is settled. It is recognised in the income statement except when it relates to items credited or charged directly to shareholders' equity, in which case the deferred tax is also dealt with in shareholders' equity.

Share capital and share premium

Share issue costs are incremental costs directly attributable to the issue of new shares or options or the acquisition of a business and are shown as a deduction, net of tax, from the proceeds.

Derivative financial instruments and hedging

Derivative and financial instruments are used to manage exposure to market risks from treasury operations. The principal derivative instruments used by the Company are forward foreign exchange contracts. The Company does not hold or issue derivative financial instruments for trading or speculative purposes.

Derivative financial instruments are initially recognised in the balance sheet at cost and then re-measured at subsequent reporting dates to fair value. Hedging derivatives are classified on inception as fair value hedges or cash flow hedges. Changes in the fair value of derivatives designated as fair value hedges are recorded in the income statement, with the changes in the fair value of the hedged asset or liability.

BESPAK EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. Presentation of the financial statements and accounting policies (continued)

Derivative financial instruments and hedging (continued)

Changes in the fair value of derivatives designated as cash flow hedges are recognised in equity. Amounts deferred in equity are transferred to the income statement in line with the hedged forecast transaction.

Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement.

New accounting policies and future developments

Published standards that have not been enacted because the implementation date has not been reached are reviewed as part of the Company's ongoing IFRSs compliance process.

Forthcoming accounting standards

The following IFRSs and IFRIC interpretations have been issued by the IASB and are likely to affect future financial statements, although none is expected to have a material impact on the results or financial position of the Company.

IFRS 8 'Operating segments' was issued in November 2006 and is required to be implemented from 1 May 2009. This standard replaces IAS 14 and aligns the segmental reporting requirements with those of the equivalent US standard. The new standard adopts a 'management approach' under which segmental information is to be disclosed on the same basis as that used for internal reporting purposes.

IAS 23 (Revised) 'Borrowing costs' was issued in March 2007 and will be implemented prospectively from 1 May 2009. It requires borrowing costs attributable to the acquisition or construction of certain assets to be capitalised. The option currently taken of expensing such costs as incurred will no longer be available.

IAS 1 (Revised) 'Presentation of financial statements' was issued in September 2007 and will be effective from 1 May 2009. The amendments to the Standard mandate various presentation formats and disclosures, many of which are already adopted. Movements in equity will be presented in a statement of changes in equity rather than as a note to the financial statements.

An amendment to IFRS 2 'Share-based payment' relating to vesting conditions and cancellations was issued in January 2008. The amendment will apply retrospectively from 1 May 2009 and specifies that all cancellations of share-based payment arrangements, including those by an employee or other counterparty, should receive the same accounting treatment of requiring immediate recognition in the income statement of the charge that would otherwise have been recognised over the remainder of the service period.

IFRS 3 (Revised) 'Business combinations' was issued in January 2008 and will apply to business combinations arising from 1 May 2010. Amongst other changes, the new Standard will require recognition of subsequent changes in the fair value of contingent consideration in the income statement rather than against goodwill, and transaction costs to be recognised immediately in the income statement. Fair value gains or losses on existing investments in an acquired company will be recognised in the income statement at the date of acquisition.

IAS 27 (Revised) 'Consolidated and separate financial statements' was issued in January 2008 and will be implemented at the same time as IFRS 3 (Revised). In respect of transactions with non-controlling interests in Group entities that do not result in a change of control, the revised Standard requires that the difference between the consideration paid or received and the recorded non-controlling interest is recognised in equity. In the case of divestment of a subsidiary, any retained interest will be re-measured to fair value and the difference between fair value and the previous carrying value will be recognised immediately in the income statement.

BESPAK EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. Presentation of the financial statements and accounting policies (continued)

Forthcoming accounting standards (continued)

IAS 23 (Revised), IFRS 3 (Revised) and IAS 27 (Revised) will be applied prospectively to transactions occurring after the implementation date. It is therefore not possible to assess in advance their impact on the financial statements of the Company.

Critical accounting estimates and judgements

IFRSs requires the Company to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below:

A Post-employment benefits

The determination of the pension cost and defined benefit obligation of the Group's defined benefit pension schemes depends on the selection of certain assumptions which include the discount rate, inflation rate, salary growth, mortality and expected return on scheme assets. Differences arising from actual experiences or future changes in assumptions will be reflected in subsequent periods. See note 19 for further details.

B Impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is determined based on value in use calculations prepared on the basis of management's assumptions and estimates.

C Depreciation of property, plant and equipment

Depreciation is provided so as to write down the assets to their residual values over their estimated useful lives as set out above. The selection of these estimated lives requires the exercise of management judgement.

D Provisions for sales returns

Provisions for sales returns are estimated on the basis of historical returns and are recorded so as to allocate them to the same period in which the original revenue is recorded. Actual returns could vary from these estimates.

E Income taxes

Significant judgement is required in determining the Company provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

BESPAK EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Segment information

All revenue originates from the United Kingdom.

Revenue by business – continuing operations	2009 £000	2008 £000
Revenue from products and services	74,594	88,745
Revenue from tooling and equipment	9,560	6,034
Inhaled drug delivery – continuing operations	84,154	94,779
Revenue by destination – continuing operations		
United Kingdom	31,679	29,554
United States of America	11,676	31,178
Europe	33,085	28,666
Rest of the World	7,714	5,381
Revenue	84,154	94,779

3. Operating expenses – continuing operations

	2009 £000	2008 £000
Raw materials and consumables	29,072	28,851
Other external charges	12,657	16,461
Staff costs (note 4)	19,209	25,343
Depreciation	5,545	5,387
Amortisation of software	140	91
Amortisation of manufacturing contracts and licences	660	240
Special items (see below)	1,384	6,325
(Profit)/loss on sale of tangible fixed assets	(133)	235
Own work capitalised	(80)	(91)
Foreign exchange (gain)/loss	(121)	128
Management fee	1,850	1,800
	70,183	84,770
Decrease in stocks of finished goods and work in progress	1,022	967
	71,205	85,737

Operating expenses include the following:

Operating lease rentals		
- plant and machinery	133	231
Research and development	3,070	3,907
Trade receivables impairment	120	-
Property, plant and equipment repairs and maintenance	1,783	2,383
Services provided by the Company's auditors		
Audit services		
- Fees payable to the Company's auditor for the audit of the Company	120	94
Non-audit services		
- Tax advisory services	26	22

BESPAK EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Operating expenses – continuing operations (continued)

Special items include an impairment charge against the carrying value of the manufacturing facility at Milton Keynes plus employee severance costs.

An analysis of the special items is as follows:

	2009	2008
	£000	£000
Impairment charge against fixed assets	1,324	6,683
Employee severance costs	60	2,929
Plant restructuring costs	-	1,146
Allocation of customer settlement	-	(4,433)
	1,384	6,325

4. Employees

Staff costs and the average monthly number of employees analysed by activity, including directors, are shown below:

	2009	2008
	£000	£000
Employee benefit costs:		
Wages and salaries	15,207	20,551
Social security costs	1,703	1,927
Pension costs (note 19)	2,004	2,488
Share-based payments in parent company (note 25)	295	377
	19,209	25,343

	Number	Number
Production	325	409
Sales and marketing	11	10
Administration and support services	49	37
Engineering and product development	121	202
	506	658

5. Emoluments of directors

	2009	2008
	£000	£000
Directors		
Aggregate emoluments	-	418
Company pension contributions to defined contribution scheme	-	22
	-	440

No remuneration was paid to any director for services provided to Bepak Europe Limited. The directors were all employed by Consort Medical plc and received their remuneration for services provided to that company.

The remuneration in 2008 related to two directors. The contributions to the defined contribution scheme in 2008 related to one director. Retirement benefits accrued to one director in 2008 under a defined benefit scheme.

BESPAK EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. Emoluments of directors (continued)

The emoluments of Mr P V Boughton, Mr J M Glenn and Mr T R Woolrych are identified in the financial statements of the Group as a whole and have not been included in the aggregate emoluments above.

	2009 £000	2008 £000
The emoluments of the highest paid director are as follows		
Aggregate emoluments	-	232
Company pension contributions to defined contribution scheme	-	22
	-	254

The highest paid director in 2008 did not exercise any share options during the period.

Consort Medical plc made a charge to the Company in respect of management services amounting to £1,850,000 (2008: £1,800,000). This charge also includes a recharge of administration costs borne by Consort Medical plc on behalf of the Company. It is not possible to identify separately the emoluments of Mr Boughton, Mr Glenn, Mr Woolrych and Ms Owen.

6. Finance income

	2009 £000	2008 £000
Interest income – from parent company	1,256	1,323
Interest on deposits	13	70
Interest on tax	55	87
Finance income	1,324	1,480

7. Finance expenses

	2009 £000	2008 £000
Bank overdraft	(16)	(13)
Finance expenses	(16)	(13)

8. Other finance (expenses)/income

	2009 £000	2008 £000
Interest on defined benefit plan liabilities	(3,410)	(2,991)
Expected return on defined benefit plan assets	3,134	2,993
Net interest (expenses)/income on defined benefit scheme (note 19)	(276)	2

BESPAK EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. Taxation

Taxation charge based on profits for the period

The major components of income tax expense for the period from 4 May 2008 to 30 April 2009 and the 53 weeks ended 3 May 2008 are:

	2009 £000	2008 £000
Current income tax		
UK corporation tax at 28.00% (2008: 29.83%)	2,719	3,422
Group relief payable	815	-
Adjustments in respect of prior periods	515	(16)
	4,049	3,406
Deferred income tax		
UK origination and reversal of timing differences	1,250	(409)
Adjustments in respect of prior periods	(33)	(252)
Effect of change in tax law	1,383	-
Impact of change in tax rates	-	(118)
	2,600	(779)
Income tax expense reported in the income statement	6,649	2,627
Tax on items (credited)/charged to equity		
Current tax:		
Shared-based payments	(15)	(2)
Deferred tax:		
Actuarial gains and losses on pension schemes	(1,510)	566
Shared-based payments	114	110
Total tax (credited)/charged to equity	(1,411)	674

There is a one-off tax charge of £1,383,000 arising in the Group's tax charge due to the UK government's abolition of industrial buildings allowances, which is a non-cash adjustment to deferred tax balances within the financial statements.

Reconciliation between tax expense and the Company's profit on ordinary activities before taxation

The reconciliation of the UK statutory tax charge to the Company's profit on ordinary activities before taxation is as follows:

	2009 £000	2008 £000
Profit on ordinary activities before taxation	13,981	10,511
Taxation charge at UK corporation tax rate of 28.00% (2008: 29.83%)	3,915	3,135
Adjustments in respect of prior periods	482	(268)
Tax effect on non-deductible or non-taxable items	869	120
Impact of change in tax law	1,383	-
Impact of change in tax rates	-	(118)
Impact on deferred taxes following change in manner of recovery	-	(242)
	6,649	2,627

BESPAK EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. Taxation (continued)

Deferred tax	2009	2008
	£000	£000
Deferred tax liabilities		
Accelerated depreciation	(4,684)	(3,281)
	(4,684)	(3,281)
Deferred tax assets		
Share-based payments	106	347
Provisions	151	923
Retirement benefit obligations	3,383	2,172
	3,640	3,442
Net deferred tax (liability)/asset	(1,044)	161
Provision for deferred tax		
At 4 May 2008	161	58
Charged to the income statement		
Adjustments to prior period:		
- Provisions	50	227
- Other	-	47
- Accelerated capital allowances	(18)	(22)
Current period (charge)/credit	(1,250)	409
Impact of change in tax law	(1,383)	-
Credit/(charge) to equity	1,396	(676)
Effects of changes in tax rates	-	118
At 30 April 2009	(1,044)	161

BESPAK EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. Property, plant and equipment

	Land and buildings	Plant, equipment and vehicles	Assets under construction	Total
	£000	£000	£000	£000
Cost				
At 4 May 2008	24,348	83,200	4,668	112,216
Additions	1,380	4,026	1,119	6,525
Reclassifications	272	3,776	(4,048)	-
Transfers to intangible assets	-	(148)	-	(148)
Disposals	-	(16,444)	-	(16,444)
At 30 April 2009	26,000	74,410	1,739	102,149
Depreciation				
At 4 May 2008	8,597	62,081	-	70,678
Charge for the period	545	5,000	-	5,545
Impairment charge	1,324	14	-	1,338
Transfers to intangible assets	-	(35)	-	(35)
Disposals	-	(16,208)	-	(16,208)
At 30 April 2009	10,466	50,852	-	61,318
Net book amount at 30 April 2009	15,534	23,558	1,739	40,831
Net book value of land and buildings comprised:				2009
				£000
Freehold land and buildings				12,745
Long-term leasehold property				2,789
At 30 April 2009				15,534

The impairment charge of £1.324 million on land and buildings arose on the Group's property at Milton Keynes which was closed as a manufacturing facility in June 2008. An independent valuation was carried out on 2 May 2009 which determined that a further impairment charge was required due to the poor market conditions for commercial property.

	Land and buildings	Plant, equipment and vehicles	Assets under construction	Total
	£000	£000	£000	£000
Cost				
At 29 April 2007	24,069	77,910	4,144	106,123
Additions	228	4,289	4,173	8,690
Reclassifications	51	3,598	(3,649)	-
Disposals	-	(2,597)	-	(2,597)
At 3 May 2008	24,348	83,200	4,668	112,216
Depreciation				
At 29 April 2007	6,626	54,307	-	60,933
Charge for the period	670	4,717	-	5,387
Impairment charge	1,301	5,382	-	6,683
Disposals	-	(2,325)	-	(2,325)
At 3 May 2008	8,597	62,081	-	70,678
Net book amount at 3 May 2008	15,751	21,119	4,668	41,538
Net book value of land and buildings comprised:				2009
				£000
Freehold land and buildings				13,762
Long-term leasehold property				1,989
At 3 May 2008				15,751

BESPAK EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Intangible assets

	Computer software £000	Manufacturing contracts and licences £000	Total £000
Cost			
At 4 May 2008	1,686	1,200	2,886
Transfers from property, plant and equipment	148	-	148
Additions	394	50	444
Disposals	(1,016)	-	(1,016)
At 30 April 2009	1,212	1,250	2,462
Amortisation			
At 4 May 2008	1,404	478	1,882
Transfers from property, plant and equipment	35	-	35
Disposals	(999)	-	(999)
Charge for the period	119	681	800
At 30 April 2009	559	1,159	1,718
Net book amount at 30 April 2009	653	91	744
	Computer software £000	Manufacturing contracts and licences £000	Total £000
Cost			
At 29 April 2007	1,550	1,200	2,750
Additions	136	-	136
At 3 May 2008	1,686	1,200	2,886
Amortisation			
At 29 April 2007	1,313	238	1,551
Charge for the period	91	240	331
At 3 May 2008	1,404	478	1,882
Net book amount at 3 May 2008	282	722	1,004

12. Investment in subsidiary

On 13 July 2007, the Group formed a new subsidiary, Integrated Aluminium Components Limited, to acquire certain assets from the administrators of Decorpart Limited. The acquisition was made to secure the supply chain for components used in the manufacture of metered dose inhaler valves. The business was acquired with a view to resale; accordingly, it was not consolidated but treated as a discontinued operation under IFRS 5 in the 2008 accounts. The assets and liabilities of the business were shown as separate lines in the Group balance sheet. The change in fair value from the date of acquisition to the balance sheet date was shown as a loss from discontinued operations.

In the 2009 financial period a decision was taken not to sell the business in the current markets but to restructure the business and retain it as part of the Group. As a result of this decision the purchase has been accounted for as an acquisition although Bepak Europe Limited is exempt from having to prepare consolidated financial statements as its parent company, Consort Medical plc, prepares consolidated financial statements in accordance with IFRSs that are made available to the public.

In the 2009 period the equity investment is shown at cost in the balance sheet. In the prior period balance sheet, the investment was shown as follows:

£000	
Assets of subsidiary held exclusively for resale	5,789
Liabilities of subsidiary held exclusively for resale	(5,698)
Net carrying amount	91

BESPAK EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. Inventories

	2009	2008
	£000	£000
Raw materials and consumables	3,611	2,640
Work in progress	848	1,436
Finished goods	2,199	2,633
	6,658	6,709

The difference between the purchase price or production cost of inventories and their replacement cost is not material.

14. Trade and other receivables

	2009	2008
	£000	£000
Trade receivables	8,007	11,747
Less: provision for impairment of receivables	(120)	(4)
Trade receivables – net	7,887	11,743
Amounts receivable from Group undertakings	33,497	28,745
Other receivables	422	1,102
Derivative financial instruments (note 24)	178	-
Prepayments and accrued income	263	427
	42,247	42,017

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Company does not hold any collateral as security.

Amounts receivable from Group undertakings include short-term loans on which interest is charged at rates linked to LIBOR.

The directors consider that the carrying amount of trade receivables approximates their fair value.

As at 30 April 2009, trade receivables of £788,000 (2008: £2,557,000) were past due and a provision of £120,000 (2008: £4,000) was made in respect of these. The ageing of these trade receivables is as follows:

	2009	2008
	£000	£000
Up to 3 months	647	2,524
3 to 6 months	-	13
Over 6 months	141	20
	788	2,557

The carrying amount of the trade and other receivables excluding intercompany balances are denominated in the following currencies.

	2009	2008
	£000	£000
Sterling	7,080	11,186
US dollars	450	449
Euro	1,220	1,637
	8,750	13,272
The intercompany balances are denominated in the following currencies:		
Sterling	33,462	28,726
US dollars	35	19
	33,497	28,745

BESPAK EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. Trade and other receivables (continued)

Movements on the provision for impairment of trade receivables are as follows:

	2009 £000	2008 £000
At 4 May 2008	4	38
Provision for impairment of receivables	120	-
Receivables written off in the period	(4)	(34)
At 30 April 2009	120	4

15. Cash and cash equivalents

	2009 £000	2008 £000
Cash at bank and in hand	197	180
Short-term deposits	-	1,043
	197	1,223

The weighted average interest rate of short-term deposits in 2008 was 1.80% and the weighted average period to maturity was 5 days.

16. Cash, cash equivalents and bank overdrafts

	2009 £000	2008 £000
Current assets:		
Cash and cash equivalents	197	1,223
Current liabilities:		
Bank overdrafts	(93)	(1)
Cash, cash equivalents and bank overdrafts	104	1,222

Current liabilities:

The financial liabilities comprise bank overdrafts which are at floating rates linked to UK base rate.

17. Trade and other payables

	2009 £000	2008 £000
Amounts falling due within one year		
Trade payables	5,329	6,468
Amounts payable to Group undertakings	115	27
Amounts payable to subsidiary held for resale	-	56
Derivative financial instruments (note 24)	-	3
Other taxation and social security	564	692
Other payables	2,999	3,582
Accruals and deferred income	2,448	1,634
	11,455	12,462

The directors consider that the carrying amount of trade payables approximates to their fair value.

BESPAK EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. Provisions and other liabilities

	Plant restructuring £000	Other provisions £000	Total £000
At 4 May 2008	3,998	1,496	5,494
Provided in the period	-	1,758	1,758
Released in the period	(180)	(1,409)	(1,589)
Utilised in the period	(3,704)	-	(3,704)
At 30 April 2009	114	1,845	1,959
To be settled within one year	114	1,845	1,959

The plant restructuring provision relates to the closure of the Group's manufacturing facilities at Milton Keynes and certain other costs and includes provisions for redundancy costs, onerous contracts and other costs associated with the restructuring.

Other provisions are in respect of product quality issues.

19. Pensions and other post-employment benefits

	2009 £000	2008 £000
Pension costs		
UK defined benefit scheme	1,622	1,997
Re-allocation to parent company	(55)	(32)
UK defined contribution schemes	437	523
Total charged to employee costs (note 4)	2,004	2,488
Interest on defined benefit plan liabilities	3,410	2,991
Less: expected return on defined benefit plan assets	(3,134)	(2,993)
Net interest included in other finance expense/(income) (note 8)	276	(2)
Total cost of pensions charged to income statement	2,280	2,486

Actuarial gains and losses in respect of the defined benefit scheme are recognised in full through the statement of recognised income and expense.

The parent company operates a defined benefit scheme and a defined contribution scheme to provide pensions to retired employees, the majority of whom are employed by Bepak Europe Limited. Pension benefits are provided by a defined benefit scheme, whereby retirement benefits are based on employee pensionable remuneration and length of service, and by defined contribution schemes, whereby retirement benefits are determined by the value of funds arising from contributions paid in respect of each employee. The defined benefit scheme was closed to new entrants with effect from 30 June 2002.

BESPAK EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. Pensions and other post-employment benefits (continued)

Changes were made to the benefits provided by the defined benefit scheme for future service with effect from 1 May 2009. These changes did not impact the Scheme's deficit, but did reduce the future service cost of the Scheme. The rate at which pension is accrued in future was reduced and the increases to pensions in payment in respect of future service were capped at 2.5% pa. In addition the members' share of the cost of the Scheme was increased to 8% of pensionable salaries, but this will be paid via a 'salary sacrifice' arrangement. Under this arrangement members will no longer contribute to the Scheme and so the Group meets the full cost of accrual, but members will receive a reduction in their salary equal to their share of the cost of the Scheme. Members have the right to opt out of this arrangement if they wish to receive their full salary and contribute to the Scheme, in which case the Group's contributions to the Scheme will reduce.

Contributions to defined benefit schemes are determined in accordance with the advice of an independent, professionally qualified actuary. Pension costs of defined benefit schemes for accounting purposes have been assessed in accordance with independent actuarial advice, using the projected unit method. Liabilities are assessed annually in accordance with the advice of an independent actuary. Formal, independent, actuarial valuations of the Group's defined benefit scheme are undertaken, normally every three years.

The following information relates to the Group's UK defined benefit pension scheme, the Bepak plc Staff Retirement Benefit Scheme (the Scheme).

	2009 £000	2008 £000
Change in defined benefit obligation		
Benefit obligation at start of period	56,227	56,862
Current service cost	1,622	1,997
Interest cost	3,410	2,991
Member contributions	377	481
Actuarial gains	(5,351)	(4,959)
Benefits paid	(782)	(1,145)
Benefit obligation at end of period (partly funded plan)	55,503	56,227
Change in fair value of plan assets		
Fair value of plan assets at start of period	48,468	46,093
Expected return on plan assets	3,134	2,993
Actuarial losses	(10,743)	(3,476)
Regular employer contributions	1,373	1,782
Employer contributions - deficit funding	1,595	1,740
Member contributions	377	481
Benefits paid	(782)	(1,145)
Fair value of plan assets at end of period	43,422	48,468
Defined benefit pension scheme deficit recognised (partly funded plan)	12,081	7,759

BESPAK EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. Pensions and other post-employment benefits (continued)

Components of defined benefit pension cost	Period to 30 April 2009 £000	Period to 3 May 2008 £000
Current service cost	1,622	1,997
Interest cost	3,410	2,991
Expected return on plan assets	(3,134)	(2,993)
Total defined benefit pension cost recognised in the income statement	1,898	1,995
Actuarial losses/(gains) immediately recognised	5,392	(1,483)
Total pension cost/(income) recognised in the statement of recognised income and expense	5,392	(1,483)
Cumulative amount of actuarial losses immediately recognised	11,602	6,210

The actual return on plan assets in the period to 30 April 2009 was a loss of £7.609m (2008: loss £0.483m).

Five year history	2009 £000	2008 £000	2007 £000	2006 £000	2005 £000
Benefit obligation at end of period	(55,503)	(56,227)	(56,862)	(51,191)	(37,811)
Fair value of plan assets at end of period	43,422	48,468	46,093	39,189	22,108
Deficit	(12,081)	(7,759)	(10,769)	(12,002)	(15,703)
Difference between expected and actual return of scheme assets:					
Amount (£000)	(10,743)	(3,476)	1,032	4,948	(249)
Percentage of scheme assets	(25%)	(7%)	2%	13%	(1%)
Experience gains and losses to scheme liabilities:					
Amount (£000)	(270)	-	-	(454)	-
Percentage of scheme liabilities	0%	-	-	(1%)	-

Contributions

Under the Schedule of Contributions agreed with the Scheme's trustees in place at the time this disclosure was prepared, the Group expects to contribute approximately £4.3m to the defined benefit scheme in the 2010 financial year.

Explanation of the relationship between Bepak Europe Limited and the trustees of the Scheme

The Scheme assets are held in a separate trustee-administered fund to meet long-term pension liabilities to past and present employees. The trustees of the Scheme are required to act in the best interests of the Scheme's beneficiaries. The appointment of trustees to the Scheme is set out under rule A16 of the Scheme's trust deed and rules dated 14 March 1997. The Scheme has a policy that one-third of all trustees should be nominated by members of the Scheme.

BESPAK EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. Pensions and other post-employment benefits (continued)

Disclosure of principal assumptions

The principal actuarial assumptions adopted at the balance sheet date were:

	30 April 2009	3 May 2008
Discount rate	6.4% pa	6.0% pa
Future inflation	3.6% pa	3.7% pa
Future salary increases	4.35% pa	4.7% pa
Future pension increases (where increases are in line with inflation subject to a maximum of 5% pa)	3.5% pa	3.7% pa
Expected return on plan assets	6.4% pa	6.3% pa

The IAS 19 accounting standard, 'Employee Benefits', requires that the discount rate used be determined by reference to market yields at the balance sheet date on high quality fixed income investments. The currency and term of these should be consistent with the currency and estimated term of the post-employment obligations.

The discount rate has been developed from a spot yield curve based on UK government bonds, adjusted to reflect the credit spread between AA-rated corporate bonds and government bonds.

The expected rate of inflation is an important building block for the salary growth and pension increase assumption. A rate of inflation is "implied" by the difference between the yields on fixed-interest and index-linked Government bonds.

For the majority of members, pension accrued before 6 April 1997 does not receive any guaranteed increases and it is assumed that no discretionary increases will be awarded. Pension accrued after 6 April 1997 receives increases in line with inflation subject to a maximum of 5% per annum. Some members receive fixed increases of 3% per annum on pension accrued before 6 April 1997 and increases in line with inflation subject to a minimum of 3% per annum and a maximum of 5% per annum on pension accrued after 6 April 1997 (for which the Company has assumed future increases will be 3.9% per annum).

One of the key assumptions made in valuing the pension scheme's liabilities are the mortality rates used to assess how long pensions will be paid for. The mortality rates used to calculate the Scheme's liabilities were updated as part of the Scheme's actuarial valuation in 2008 to reflect the results of surveys that have highlighted that people are living longer. The mortality rates now used in calculating the Scheme's liabilities are based on data collected between 1991 and 1994, but allow for the accelerated improvements in longevity witnessed since that time and also allow for these accelerated improvements to continue in the future with a minimum annual rate of improvement of 1% pa. These mortality tables are referred to 110% of the PA92 long cohort tables with a 1% pa underpin.

The current life expectancies (in years) underlying the value of the accrued liabilities for the Scheme are:

	30 April 2009		3 May 2008	
Life expectancy at age 65	Male	Female	Male	Female
Member currently age 65	23.2	26.4	22.0	24.9
Member currently age 45	25.2	28.5	23.1	25.9

BESPAK EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. Pensions and other post-employment benefits (continued)

The overall expected return on assets has been calculated as the weighted average of the expected return for the principal asset categories, net of investment expenses, held by the plan as follows.

Asset category	30 April 2009		3 May 2008	
	Weighting	Expected return*	Weighting	Expected return*
Gilts	22%	4.6%	21%	4.30%
Corporate bonds	26%	6.4%	21%	6.30%
Equities	42%	7.6%	47%	7.20%
Hedge funds	10%	6.6%	-	6.10%
Cash	-	-	11%	n/a
Overall	100%	6.4% *	100%	6.30% *

* Net of investment expenses and based on the agreed target allocation

Sensitivity analysis of the principal assumptions used to measure Scheme liabilities

The sensitivity of the Scheme's liabilities to changes in the principal assumptions used to measure these liabilities is illustrated below. The illustrations consider the single change shown with the other assumptions assumed to be unchanged. In practice, changes in one assumption may be accompanied by offsetting changes in another assumption (this is not always the case).

The Group liability is the difference between the Scheme liabilities and the Scheme assets. Certain changes in the assumptions will be as a result of changes in market yields. Where this is the case the market value of Scheme assets may change simultaneously, which may or may not offset the change in assumptions. For example, a fall in interest rates will increase the Scheme liability, but may also trigger an offsetting increase in the market value of assets so that the net effect on the Group liability is reduced.

Assumption	Change in assumption	Impact on the Scheme's accrued liabilities
Discount rate	Increase by 0.1% pa	Decrease by 2.7%
Rate of inflation	Increase by 0.1% pa	Increase by 2.1%
Rate of salary growth	Increase by 0.1% pa	Increase by 1.0%
Rate of mortality	Members assumed to live one year longer	Increase by 2.0%

How the liabilities arising from the Scheme are measured

The Group provides retirement benefits via the Scheme to some of its former employees and approximately 50% of current UK employees. The level of retirement benefit is principally based on salary earned in the final three years of employment and period of service as a Scheme member.

BESPAK EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. Pensions and other post-employment benefits (continued)

The projected liabilities of the Scheme are apportioned between members' past and future service using the projected unit actuarial cost method. The deficit in the Group balance sheet is the difference between the projected liability allocated to past service (the defined benefit obligation) and the market value of the assets of the Scheme. The defined benefit obligation makes allowance for future earnings growth. If all active members were assumed to leave the Group and the allowance for future earnings growth was replaced by an allowance for statutory revaluation, the liabilities would reduce by approximately £3.6m.

An alternative measure of liability is the cost of buying out benefits at the balance sheet date with a suitable insurer. This amount represents the amount that would be required to settle the Scheme liabilities at the balance sheet date rather than the Group continuing to fund the ongoing liabilities of the Scheme. The latest estimate of the amount required to settle the Scheme's liabilities was calculated at 30 April 2008. This indicated that the amount required was £29.9m in excess of the assets held by the Scheme.

Future funding obligations in relation to the Scheme

The trustees have selected a funding target based on the Scheme being closed to new members but with active members continuing to accrue benefits. The agreed funding objective is to reach and then maintain assets equal to 100% of the value of the projected past service liabilities, assessed on an ongoing basis, allowing for future salary increases for active members.

The most recently completed triennial actuarial valuation of the Scheme was performed by an independent actuary for the trustees of the Scheme and was carried out as at 30 April 2008. Following the valuation and changes to the Scheme's benefits for future service the Group agreed to pay contributions of (on average) 16.7% of members' pensionable salaries per annum to fund the accrual of future benefits and £238,000 per month with the intention of funding the Scheme's deficit on an ongoing basis by 30 April 2013. The Group contribution rate will be lower for members who opt out of the 'salary sacrifice' arrangement.

Nature and extent of the risks arising from financial instruments held by the Scheme

The expected return on the Scheme's assets is based on market expectations at the beginning of the financial period for returns over the life of the related obligation. The expected yield on bond investments with fixed interest rates can be derived exactly from their market value. Some of these bond investments are issued by the UK Government and the risk of default on these is very small. The trustees also hold bond investments issued by public companies. There is a more significant risk of default on these which is assessed by various rating agencies.

The trustees also have a substantial holding of equity and hedge fund investments, with a target of 60% of the Scheme's assets being invested in these funds. The investment return related to these is variable, and they are generally considered much "riskier" investments. It is generally accepted that the yield on these investments will contain a premium ("the equity risk premium") to compensate investors for the additional risk of holding this type of investment. There is significant uncertainty about the likely size of this risk premium.

The majority of the equities held by the Scheme are in international blue chip entities. The aim is to hold a globally diversified portfolio of equities, with a target of 50% of equities being held in the UK, 18.75% in the rest of Europe, 13.75% in North American equities, 7.5% in each of Japanese and Pacific Basin equities and 2.5% in emerging markets.

As part of the investment strategy review conducted in 2007/8, the trustees, in conjunction with the Group, have carried out an asset-liability review for the Scheme. These studies are used to assist the trustees and the Group to determine the optimal long-term asset allocation with regard to the structure of liabilities within the Scheme. The results of the study are used to assist the trustees in managing the volatility in the underlying investment performance and the risk of a significant increase in the Scheme's deficit by providing information used in determining the pension scheme's investment strategy.

BESPAK EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. Share capital and share premium account

	Ordinary shares of 10p each Number	£000	Share premium £000
Share capital authorised			
At 4 May 2008 and 30 April 2009	409,465,750	40,947	-
Share capital issued and fully paid			
At 4 May 2008 and 30 April 2009	398,500,021	39,850	6,000

21. Movements in equity

	Share capital £000	Share premium £000	Retained earnings £000	Total £000
Balance at 29 April 2007	39,850	6,000	17,758	63,608
Total recognised income and expense for the period	-	-	8,693	8,693
Equity dividends	-	-	(7,173)	(7,173)
Balance at 4 May 2008	39,850	6,000	19,278	65,128
Total recognised income and expense for the period	-	-	3,351	3,351
Equity dividends	-	-	(7,970)	(7,970)
Balance at 30 April 2009	39,850	6,000	14,659	60,509

22. Commitments and contingent liabilities

	2009 £000	2008 £000
(i) Capital expenditure contracted for but not provided for in the accounts	562	3,598

(ii) Commitments under operating leases

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

- No later than one year	69	89
- Later than one year and no later than five years	125	204
	194	293

BESPAK EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. Related party transactions

Related parties

The related party disclosures in this note apply to the following entities and individuals:

- Parent Company
- Subsidiaries of the Parent Company
- Associates of the Parent Company
- The Company and the Parent Company's key management personnel

Trading transactions

During the period, the Company sold medical devices to King Systems at a value of £276,000 (2008: £227,000). The Company also charged King Systems £211,000 for commercial services (2008: £264,000) and £54,000 for expenses (2008: £nil). During the period, the Company recharged £nil (2008: £12,000) of expenses to Bepak LLC and was recharged £nil (2008: £70,000) of expenses. During the period the Company purchased commercial services from Bepak LLC at a value of £418,000 (2008: £597,000). At 30 April 2009 the amount owed by Bepak LLC was £nil (2008: £nil) and by King Systems £35,000 (2008: £19,000). At 30 April 2009 the amount owed to Bepak LLC was £21,000 (2008: £27,000).

During the period the Company paid management fees to Consort Medical plc at a value of £1,850,000 (2008: £1,800,000) and a charge for share options and other share-based awards at a value of £295,000 (2008: £377,000). During the period the Company made loans to Consort Medical plc for which it received interest of £1,256,000 (2008: £1,343,000) at a rate of LIBOR plus 1%. The balance at the end of the period was £33,462,000 (2008: £28,726,000).

During the period the Company purchased metal components from Integrated Aluminium Components Limited (IACL) at a value of £2,580,000 (2008: £2,537,000) and sold services at a value of £138,000 (2008: £94,000). The amount owing to IACL at 30 April 2009 was £94,000 (2008: £56,000).

The following table summarises the transactions with related parties:

	Sale of goods and services		Purchase of goods and services		Amounts owed by related parties		Amounts owed to related parties	
	2009	2008	2009	2008	2009	2008	2009	2008
	£000	£000	£000	£000	£000	£000	£000	£000
Parent company	-	-	2,145	2,177	33,462	28,726	-	-
Subsidiaries of the parent company	541	503	418	667	35	19	21	27
Subsidiaries	138	94	2,580	2,537	-	-	94	56
	679	597	5,143	5,381	33,497	28,745	115	83

BESPAK EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. Related party transactions (continued)

Parent undertaking and controlling party

The Company is a subsidiary undertaking of Consort Medical plc, the immediate and ultimate parent company and controlling party, which is registered in England and Wales. The accounts of Consort Medical plc can be obtained from the Company Secretary, Breakspear Park, Breakspear Way, Hemel Hempstead, Hertfordshire, HP2 4UL.

Remuneration of key management personnel

The remuneration of the Directors of the Company is set out below in aggregate for each of the categories specified in IAS 24 Related party disclosures. For further information about the individual Directors please see the Director's remuneration report within the Group's annual report.

	2009 £000	2008 £000
Short-term employee benefits	-	418
Post-employment benefits	-	22
Share-based payments	-	114
	-	554

The remuneration of the key management personnel of the Company, who are not also Directors, is set out below in aggregate for each of the categories specified in IAS 24 Related party disclosures.

	2009 £000	2008 £000
Short-term employee benefits	506	218
Post-employment benefits	53	20
Termination benefits	226	-
Share-based payments	168	71
	953	309

BESPAK EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. Financial instruments and related disclosures

Financial risk management

Bespak Europe Limited reports in sterling. A requirement of the Company's Finance function, in conjunction with Group Finance, is to manage and monitor financial risk in support of the Company's corporate objectives. Treasury activities are governed by policies and procedures issued by Group Finance, approved by the Board, and monitored by the Company's Finance function.

Finance maintains treasury control systems and procedures to monitor foreign exchange, credit and other financial risks. Bespak Europe Limited uses a variety of financial instruments, including derivatives, to manage market risk from these operations.

Financial instruments include cash and liquid resources, borrowings, and forward exchange contracts.

Liquid assets surplus to the immediate operating requirements of the Company are generally invested and managed centrally by Group Finance.

Bespak Europe Limited does not hold or issue derivative financial instruments for trading purposes and the Group's Treasury policies specifically prohibit such activity. All transactions in financial instruments are undertaken to manage the risks arising from underlying business activities, not for speculation.

Fair value of financial assets and liabilities

The table titled 'Fair value of financial assets and liabilities' presents the carrying amounts and the fair values of the Company's financial assets and liabilities under IFRSs. Where available, market values have been used to determine fair values. Where market rates are not available, fair values are determined using prevailing interest and exchange rates.

The methods and assumptions used to estimate fair values of financial instruments are as follows:

- Forward exchange contracts - the fair value of the Company's forward exchange contracts is based on market prices and exchange rates at the balance sheet date.
- Other - the fair value of other assets and liabilities approximates to the carrying amount reported in the balance sheet.

Fair value and cash flow hedging activities

Under IFRSs, all derivative financial instruments are recognised as assets or liabilities in the balance sheet at fair value. Gains and losses are recognised in the income statement unless they are designated as hedging instruments and tested to be effective under IAS 39, 'Financial Instruments – Recognition and measurement', in which case the element of gains and losses that fulfil the hedge effectiveness criteria are taken directly to equity.

The Company's hedging strategy is unchanged in respect of covering the transactional risk of foreign currency sales and purchases.

Foreign exchange risk management

The Company's principal currency exposure is between Sterling, the US dollar and the Euro. The withdrawal of Exubera® and the change in customer mix for HFA valves has resulted in a significantly lower level of USD denominated sales, thus reducing the transactional exchange risk.

Transactional exposure

The Company uses forward contracts to hedge transactional currency exposure. As a result there were no material net monetary assets or liabilities in foreign currencies, having taken into account the effect of forward exchange currency contracts that have been used to match foreign currency exposures.

BESPAK EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. Financial instruments and related disclosures (continued)

The Company hedges a portion of forecast future foreign currency exposure extending up to twelve months. At 30 April 2009 the Company held contracts to hedge the equivalent of £1.2 million of forecast currency (2008: £0.7 million).

The fair value of these forward exchange contracts was an asset of £178,000 at 30 April 2009 (2008: liability £3,000). The Company does not designate these forward contracts as cash flow hedges and gains and losses are recognised in the income statement.

Committed facilities

As part of its financial risk management policy the Company has committed facilities at floating rates that expire within one year.

Investment of surplus liquid assets

Surplus liquid assets are loaned to the parent company, Consort Medical plc, at floating interest rates linked to UK base rate. The surplus liquid assets loaned to the parent company are classified as trade and other receivables.

Credit risk

The Company is exposed to a concentration of credit risk in respect of its major customers such that, if one or more of them is affected by financial difficulty, it could materially and adversely affect the Company's financial results. However, the Company does not expect any of its customers to fail to meet their obligations.

The Company does not believe it is exposed to major concentrations of credit risk on other classes of financial instruments. The Company is exposed to credit-related losses in the event of non-performance by counter parties to financial instruments, but does not expect any counter parties to fail to meet their obligations.

The Company applies Board-approved limits to the amount of credit exposure to any one counter party and employs strict minimum creditworthiness criteria as to the choice of counter party. Additionally, the Company takes out credit insurance cover against the majority of export sales.

Liquidity

The Company's selling margins are sufficient to exceed normal operating costs, and the Company is cash generative.

Operating cash flow is used to fund investment in the research and development of new products as well as routine outflows of capital expenditure and tax.

Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Selling margins are sufficient to cover normal operating costs and the Company is not subject to externally imposed capital requirements.

BESPAK EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. Financial instruments and related disclosures (continued)

Fair value of financial assets and liabilities

The following table sets out the classification of financial assets and liabilities. Receivables and payables have been included to the extent that they are classified as financial assets and liabilities in accordance with IAS 32. Provisions have been included where there is a contractual obligation to settle in cash. Where appropriate forward exchange contracts have been presented alongside the underlying principal instrument. The carrying amounts of these instruments have been adjusted for the effect of the forward exchange contracts acting as hedges.

	At 30 April 2009		At 3 May 2008	
	Book value £000	Fair value £000	Book value £000	Fair value £000
Cash and cash equivalents	197	197	1,223	1,223
Short-term borrowings and overdrafts	(93)	(93)	(1)	(1)
Forward exchange contracts	178	178	(3)	(3)
Total financial assets and liabilities	282	282	1,219	1,219
Total financial assets	375	375	1,223	1,223
Total financial liabilities	(93)	(93)	(4)	(4)

BESPAK EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. Financial instruments and related disclosures (continued)

Interest rate profile of financial assets and liabilities

The interest profile of the financial assets and liabilities of the Group at 30 April 2009 is as follows:

	Cash and cash equivalents £000	Forward exchange contracts £000	Total £000
At 30 April 2009			
Financial assets			
Less than one year (non-interest earning)	197	178	375
Total	197	178	375

	Short-term borrowings and overdrafts £000	Total £000
At 30 April 2009		
Financial liabilities		
Less than one year (interest bearing at floating rates)	(93)	(93)
Total	(93)	(93)

Interest rate profile of financial assets and liabilities

The interest profile of the financial assets and liabilities of the Group at 3 May 2008 was as follows:

	Cash and cash equivalents £000	Total £000
At 3 May 2008		
Financial assets		
Less than one year	1,223	1,223
Total interest earning (at fixed rates)	1,043	1,043
Total non-interest earning	180	180
Total	1,223	1,223

	Short-term borrowings and overdrafts £000	Forward exchange contracts £000	Total £000
At 3 May 2008			
Financial liabilities			
Less than one year (interest bearing at floating rates)	(1)	-	(1)
Non-interest bearing	-	(3)	(3)
Total	(1)	(3)	(4)

BESPAK EUROPE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****24. Financial instruments and related disclosures (continued)****Currency profile of financial assets and liabilities**

The currency profile of the financial assets and liabilities of the Company at 30 April 2009 is as follows:

	Sterling £000	US Dollar £000	Euro £000	Swiss franc	Indian rupee £000	Total £000
At 30 April 2009						
Financial assets						
Cash and cash equivalents	37	113	41	-	6	197
Forward exchange contracts	-	-	(4)	182	-	178
	37	113	37	182	6	375
Financial liabilities						
Short-term borrowings	(93)	-	-	-	-	(93)
	(93)	-	-	-	-	(93)

	Sterling £000	US Dollar £000	Euro £000	Swiss franc	Indian rupee £000	Total £000
At 3 May 2008						
Financial assets						
Cash and cash equivalents	44	14	120	1,045	-	1,223
	44	14	120	1,045	-	1,223
Financial liabilities						
Short-term borrowings	(1)	-	-	-	-	(1)
Forward exchange contracts	-	-	-	(3)	-	(3)
	(1)	-	-	(3)	-	(4)

BESPAK EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. Financial instruments and related disclosures (continued)

Borrowing facilities

At 30 April 2009, the Company had the following undrawn committed borrowing facilities available at floating rates:

	2009 £000	2008 £000
Expiring within one year	2,407	3,500

Derivative financial instruments

The table below sets out the net principal amounts and fair value of derivative contracts held by the Company.

	Contract or underlying principal amount £000	Fair value	
		Assets £000	Liabilities £000
At 30 April 2009			
Foreign exchange contracts	1,158	178	-
At 3 May 2008			
Foreign exchange contracts	698	-	(3)

BESPAK EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

25. Employee share schemes

Share options

The parent company, Consort Medical plc, operates share award schemes whereby awards are granted to employees to acquire shares in Consort Medical plc at no cost, subject to the achievement by the Group of certain specified performance targets. It also offers savings-related share option schemes. Since the introduction of the 2005 LTIP scheme no further awards have been made under any Executive Share Option Scheme.

Grants of share awards are normally exercisable at the end of the three year vesting/performance period. Grants under savings-related share option schemes are normally exercisable after three years' saving. Grants under share option schemes are normally exercisable between three and ten years from the date of grant. Options under the share option schemes are normally granted at the market price ruling at the date of grant. The majority of options under the savings-related share option schemes are now granted at the market price ruling at the date of grant.

Share-based compensation recognised in the income statement

The share-based compensation charge has been recorded in the income statement as follows:

	2009	2008
	£000	£000
Staff costs (note 4)	295	377

Option pricing

For the purposes of valuing options to arrive at the stock-based compensation charge, the Black-Scholes option pricing model has been used. The assumptions used in the model are as follows:

	All share schemes
	2008
Risk-free interest rate	3.99% to 5.1%
Dividend yield	2.9% to 3.4%
Volatility	28% to 30%
Expected lives of options granted under:	
Savings-related share option schemes	3 years
Share appreciation rights	3 years
Weighted average share price for grants in the period:	
Savings-related share option schemes - market and option price	558.5p to 606.5p
Share appreciation rights - market and option price	661p

The expected volatility is based on historical volatility over the last three years. The expected life is the average expected period to exercise. The risk free rate of return is the yield on zero-coupon UK government bonds of a term consistent with the assumed option life.

BESPAK EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

25. Employee share schemes (continued)

Options outstanding	Share option schemes - shares		Savings-related share option schemes	
	Number	Weighted exercise price	Number	Weighted exercise price
At 4 May 2008	397,250	457p	260,295	529p
Options exercised	(89,210)	449p	(72,665)	434p
Options forfeited	(85,040)	456p	(33,825)	552p
At 30 April 2009	223,000	460p	153,805	548p

For share options exercised in the period, the weighted average share price at the date of exercise was 442 pence per share.

The number of shares exercisable at the end of the period was as follows; SAYE nil (2008: 73,955) and ESOS 194,500 (2008: 359,000).

Outstanding options granted under all schemes are as follows:

	Number of options		Weighted average remaining average contractual life (years)		Price
	2009	2008	2009	2008	
Options granted					
Savings-related share option schemes					
February 2005	-	73,955	-	0.1	-
September 2006	23,896	32,794	0.5	1.5	606.5p
April 2008	129,909	153,546	2.0	3.0	558.5p
Total	153,805	260,295	1.8	2.0	548.2p
Company and executive share options schemes					
July 2001	6,000	6,000	2.2	3.2	583.5p
September 2002	36,000	92,000	3.4	4.4	443.0p
December 2002	10,000	10,000	3.7	4.7	443.0p
September 2003	85,500	150,000	4.4	5.4	412.5p
July 2004	85,500	139,250	5.2	6.2	509.0p
Total	223,000	397,250	4.5	5.4	460.4p

Performance Share Plan and Share Appreciation Rights (LTIP)

The parent company operates a Performance Share Plan and Share Appreciation Rights Scheme whereby awards are granted to Directors and senior management at no cost. The percentage of each award that vests is based upon the performance of the Group over a three-year measurement period. The performance conditions consist of two parts. Condition one is satisfied if the Total Shareholder Return (TSR) of Consort Medical plc is equal to or exceeds the TSR of the FTSE All Share Health Index. If condition one is not satisfied the awards lapse. If condition one has been satisfied then the table below sets out the percentage of an award that vests or becomes exercisable.

BESPAK EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

25. Employee share schemes (continued)

Percentage per annum by which Consort Medical plc's Growth in EPS exceeds the growth in the Retail Prices Index (RPI) over the performance period	Proportion of Award that vests
Less than 3% pa	Nil
Between 3% and 10% pa	$(\text{EPS \%} - \text{RPI \%} - 3\%) \times 10.71 + 25\%$
10% pa or more	100%

During the period awards of performance shares were granted to a number of employees. The fair value per performance share granted has been calculated using a Monte Carlo share pricing model. The assumptions used in the calculation are as follows:

Grant date	1 August 2008
Share price at grant date	537.5p
Shares under option	119,983
Vesting period	3 years
Volatility	35.95%
Dividend yield	3.55%
Risk free rate	4.84%
Fair value per performance share	260.8p

Number of shares issuable	Number	Weighted average exercise price
Performance shares		
At 4 May 2008	164,014	-
Awards granted	119,983	-
Awards vested	(49,059)	-
Awards forfeited	(17,657)	-
At 30 April 2009	217,281	-
Share appreciation rights		
At 4 May 2008 and 30 April 2009	42,250	642p