

BESPAK HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2014

Registered number: 3973457

TUESDAY



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BESPAK HOLDINGS LIMITED

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BESPAK HOLDINGS LIMITED

OFFICERS AND ADVISERS

Directors	J M Glenn R Cotton
Company Secretary	I Ward
Registered Office	Suite D, Ground Floor Breakspear Park Breakspear Way Hemel Hempstead Hertfordshire HP2 4TZ United Kingdom
Registered Number	3973457
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Abacus House Castle Park Cambridge CB3 0AN

BESPAK HOLDINGS LIMITED

STRATEGIC REPORT

The directors present their Strategic report of the Company for the year ended 30 April 2014.

Principal activities

The Company's principal activity is to act as a holding company. There has been no change in the activity during the year.

Review of business and future developments

On 15 February 2013, the Company sold its direct investment in Bepak Holdings Inc and its indirect investment in King Systems Corporation. The directors do not anticipate any significant change in activity in the foreseeable future.

Results and dividends

The Company's loss for the financial year of £411,000 (2013: profit of £19,699,000) was transferred to reserves. The directors do not recommend payment of a dividend (2013: £nil).

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks and uncertainties. These have been described for the Consort Medical plc Group, including the Company, within Consort Medical plc's annual report and financial statements, which does not form part of this report.

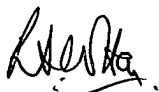
Key performance indicators

The financial key performance indicators ("KPIs") of the Consort Medical plc Group are revenues from non-MDI products, operating cash flow as a percentage of operating profit before special items and adjusted earnings per share from continuing operations before special items. These have been discussed on a group-wide basis, including the Company, in the section "Key performance indicators" of the strategic report within the Consort Medical plc annual report which does not form part of this report.

Disposal of subsidiary

A profit on disposal of subsidiary of £112,000 has been recorded in the year, including an adjustment to the fair value of contingent consideration on disposal of Bepak Holdings Inc and King Systems Corporation.

By order of the Board



R Cotton

Director

1 December 2014

BESPAK HOLDINGS LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the Company for the year ended 30 April 2014.

General information

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

Directors

The directors of the Company who held office during the year and up to the date of signing the financial statements were as shown below:

J M Glenn
R Cotton

Future developments

Future developments have been disclosed in the Strategic report.

Dividends

Details of dividends recommended and paid are disclosed in the Strategic report.

Financial risk management and capital

The Company is subject to credit and foreign exchange risks for its contingent consideration balance receivable and to foreign exchange risk on group balances payable.

The Company does not have liquid assets and is dependent upon its parent company for financing requirements.

Directors' indemnities and liability insurance

Qualifying third-party indemnity arrangements are in place for the benefit of directors in a form and scope which comply with the requirements of the Companies Act 2006. Insurance cover is in force in respect of personal liabilities which may be incurred by directors and officers in the course of their service with the Group.

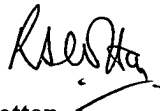
Disclosure of information to auditors

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 in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditors

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

By order of the Board



R Cotton
Director

1 December 2014

BESPAK HOLDINGS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic report and 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 "Reduced Disclosure Framework" ('FRS 101').

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 year. 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 United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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.

By order of the Board



R Cotton

Director

1 December 2014

BESPAK HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BESPAK HOLDINGS LIMITED

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Company's affairs as at 30 April 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Bepak Holdings Limited, comprise:

- the Balance sheet as at 30 April 2014;
- the Income statement and Statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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), including FRS 101 "Reduced Disclosure Framework".

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

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

BESPAK HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BESPAK HOLDINGS LIMITED (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

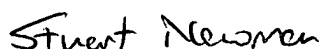
Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

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 and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & 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 Chapter 3 of Part 16 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.



Stuart Newman (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge
1 December 2014

BESPAK HOLDINGS LIMITED**INCOME STATEMENT**

Year ended 30 April 2014

	Notes	2014 £000	2013 £000
Profit on disposal of subsidiary	4	112	20,497
Interest payable to parent company		(367)	(397)
Exchange loss		(41)	(496)
(Loss) / profit on ordinary activities before taxation		(296)	19,604
Tax on (loss) / profit on ordinary activities	5	(115)	95
(Loss) / profit for the financial year		(411)	19,699

STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 April 2014

	2014 £000	2013 £000
(Loss) / profit for the financial year	(411)	19,699
Total comprehensive (loss) / income for the year	(411)	19,699

BESPAK HOLDINGS LIMITED**BALANCE SHEET**

At 30 April 2014

	Notes	2014 £000	2013 £000
Fixed assets			
Investments	6	-	-
		-	-
Current assets			
Amounts receivable from parent company		17,638	17,961
Other receivables – contingent consideration	7	10,824	11,676
Taxation		176	291
		28,638	29,928
Creditors: amounts falling due within one year			
Amounts due to parent company	8	(10,108)	(10,965)
Amounts due to subsidiary undertakings		(259)	(281)
		(10,367)	(11,246)
Net current assets		18,271	18,682
Total assets less current liabilities		18,271	18,682
Net assets		18,271	18,682
EQUITY			
Called up share capital	9	7,585	7,585
Profit and loss account		10,686	11,097
Total shareholders' funds		18,271	18,682

The accompanying notes on pages 11 to 16 are an integral part of the financial statements.

The financial statements on pages 8 to 16 were approved by the Board of directors and authorised for issue on 1 December 2014 and signed on its behalf by:



R Cotton
Director

Bespak Holdings Limited
Registered number: 3973457

BESPAK HOLDINGS LIMITED**STATEMENT OF CHANGES IN EQUITY**

At 30 April 2014

	Called up share capital £000	Profit and loss account £000	Total £000
Balance at 1 May 2012	7,585	(8,602)	(1,017)
Profit for the financial year and total comprehensive profit	-	19,699	19,699
Balance at 30 April 2013	7,585	11,097	18,682
Loss for the financial year and total comprehensive profit	-	(411)	(411)
Balance at 30 April 2014	7,585	10,686	18,271

BESPAK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

General information

Bespak Holdings Limited is a wholly owned subsidiary of Consort Medical plc, a public limited company listed on the London Stock Exchange. Bespak Holdings Limited is incorporated in England and Wales, registered number 3973457. The nature of the Company's operations and its principal activities are set out in the Strategic report on page 3.

1. Presentation of the financial statements and accounting policies

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ('FRS101') and the Companies Act 2006.

FRS101 is effective for periods commencing on or after 1 January 2015, but has been adopted early by the Company. Where amendments have been made on transition to FRS101 from EU-adopted IFRS, these have not had a material effect on these financial statements.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1;
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows)
 - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
 - 16 (statement of compliance with all IFRS),
 - 38A (requirement for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 40A-D (requirements for a third statement of financial position
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

Accounting convention

The financial statements have been prepared using the historic cost convention, as modified by certain financial assets and financial liabilities (including derivative financial instruments) at fair value. The specific accounting policies adopted, which have been approved by the Board, are described within this note and which have been applied consistently in all years presented.

BESPAK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

Going concern basis

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company has total assets greater than its total liabilities and is expecting future cash receipts in respect of the contingent consideration. Thus they continue to adopt the going concern basis in preparing the financial statements.

Investments

Investments are shown at cost less provision in respect of impairments. Impairment write-downs are determined by reference to the higher of the post-tax realisable value of the investment and its ongoing value in use.

Taxation

The charge for current taxation is based on the results for the year 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 and interests in joint ventures 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 that 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.

Foreign currencies

Items included in the financial statements of the Company are measured using that entity's functional currency, which is the currency of the primary economic environment in which the Company operates ('functional currency'). The financial statements are presented in 'Pound Sterling' (£) which is also the company's functional currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Contingent consideration

Contingent consideration is recognised at the estimated amount that is considered probable at the balance sheet date.

BESPAK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

Critical accounting estimates and judgements

The Company makes 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) Contingent consideration

The value of contingent consideration on the disposal of Bepak Holdings Inc. depends upon the performance of the King Systems business following its disposal. Actual performance could vary from forecast.

B) Carrying value of investments

In assessing the carrying value of the Company's equity investments, the directors take into account the net assets of the Company's subsidiaries and the trading forecasts of those subsidiaries. The trading forecasts contain estimates and assumptions around future profitability and cash generation.

C) Income taxes

Significant judgement is required in determining the Company provision for income taxes. 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.

Adoption of new and revised standards

The following new standards and amendments have been applied for the first time during the year commencing 1 May 2013 and have not had a material impact on the Company:

- Amendment to IAS 1, 'Financial statement presentation'
- IAS 19, 'Employee benefits' was revised in June 2011.

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. The standard also introduces new disclosure requirements, though FRS 101 allows for exemptions from the disclosure requirements which the company has taken.

Amendment to IAS 36 "Impairment of assets" relates to the recoverable amount disclosures for non-financial assets. The amendment removes certain disclosures of the recoverable amount of CGUs that had been included in IAS 36 by the issue of IFRS 13.

In addition, IAS 27 Revised 'Separate Financial Statements', IAS 28 Revised 'Investments in Associates and Joint Ventures', IFRS 10 'Consolidated financial statements', IFRS 11 'Joint arrangements', and IFRS 12 'Disclosure of interests in other entities' are applicable for the financial year commencing 1 May 2014 and are not expected to have a material impact on the Company.

BESPAK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

Consolidation exemption

The Company is a wholly-owned subsidiary of Consort Medical plc and is included in the consolidated financial statements of Consort Medical plc which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

2. Audit fees

The audit fees of the Company of £1,200 (2013: £1,100) have been borne by the immediate parent undertaking, Consort Medical plc.

3. Employees

The Company had no employees during the year (2013: none). No remuneration was paid to the directors for their services to the Company (2013: £nil).

4. Profit on disposal of subsidiary

	2014 £000	2013 £000
Change in fair value of contingent consideration	68	-
Proceeds received	72	21,991
Contingent consideration receivable	-	11,676
Total proceeds	72	33,667
Disposal costs	(28)	(3,460)
Carrying value of investment	-	(9,710)
	44	20,497
Profit on disposal	112	20,497

On 15 February 2013, the Company sold its direct investment in Bepak Holdings Inc and its indirect investment in King Systems Corporation. A gain of £20,497,000 arose on the disposal, being the proceeds on disposal less disposal costs and the carrying value of the investment prior to sale. The Company's proceeds on disposal consisted of £21,991,000 in cash and £11,676,000 in contingent consideration receivable.

The carrying value of the contingent consideration has reduced by £852,000, comprising of an increase in the fair value of the contingent consideration of £68,000 from the unwinding of the discount with the passage of time and rephasing of sales assumptions, offset by reduction of £920,000 from exchange losses on the US dollar balance receivable.

The Company has received £72,000 from a fellow group company being further proceeds from the prior year.

Further details of contingent consideration are provided in note 7.

BESPAK HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****5. Tax on profit on ordinary activities**

	2014	2013
	£000	£000
Current tax		
Corporation tax charge/(credit) credit at 22.8% (2013: 23.9%)	115	(95)

Reconciliation to UK statutory rate

The tax assessed for the year is higher (2013: lower) than the standard rate of corporation tax in the UK. The differences are explained below.

	2014	2013
	£000	£000
(Loss) / profit on ordinary activities before taxation	(296)	19,604
Tax at UK corporation tax rate of 22.8% (2013: 23.9%)	(67)	4,685
Tax effect of non-taxable items	182	(4,780)
Tax charge / (credit)	115	(95)

6. Investments

Investment in subsidiary companies:

	Cost	Provisions	Net book
	£000	£000	value
			£000
At 1 May 2013 and at 30 April 2014	-	-	-

The Company's subsidiaries are as follows:

Company	Country of incorporation and operation	% of ordinary shares	Nature of business
Bespak LLC	USA	100	Commercial services
H&M Rubber Co Inc	USA	100	Elastomer component manufacturer

On 15 February 2013 the Company sold its direct investment in Bespak Holdings Inc, a holding company, and its indirect investment in King Systems Corporation, an anaesthesia equipment manufacturer. The Company's investments in Bespak LLC and H&M Rubber Co Inc, both of which had been indirectly held, were transferred to the Company at nil consideration prior to the sale of Bespak Holdings Inc.

BESPAK HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****7. Other receivables – contingent consideration**

	2014 £000	2013 £000
Contingent consideration	10,824	11,676

£3,530,000 (2013: £11,676,000) of the contingent consideration is due after one year.

Under the terms of the disposal of Bepak Holdings Inc., completed on 15 February 2013, the purchaser, Ambu A/S, is due to pay amounts of consideration contingent upon the performance of King Systems following disposal. This comprises:

- a milestone payment of US\$10 million upon completion of the first commercial sale of a video laryngoscope currently under development by King with a reusable display, an adaptor containing reusable optics and a disposable blade;
- payments with a potential maximum value of US\$40 million related to the sales of King Vision products for the three years ending 30 April 2016.

On 9 May 2014, US\$10 million was received from Ambu A/S following the first commercial sale of a video laryngoscope. On 4 June 2014, US\$2.3 million was received from Ambu A/S reflecting the first payment relating to the sales of the King Vision products for the year ended 30 April 2014.

8. Amounts due to parent company

	2014 £000	2013 £000
US dollar loan of \$17.0 million (2013: \$17.0m)	10,108	10,965

The US dollar loan is repayable to the parent on demand. Interest is payable at USD LIBOR plus 3%.

9. Called up share capital

	2014 £000	2013 £000
Allotted, called up and fully paid:		
7,585,100 (2013: 7,585,100) ordinary shares of £1 each	7,585	7,585

10. Ultimate parent company

The immediate and ultimate parent company and controlling party of Bepak Holdings Limited is Consort Medical plc. The largest and smallest group consolidated financial statements to include this Company are those of Consort Medical plc and can be obtained from the Company Secretary, Breakspear Park, Breakspear Way, Hemel Hempstead, Hertfordshire, HP2 4TZ.

11. Guarantees

The Company has guaranteed amounts due by Group companies to the Royal Bank of Scotland plc and HSBC Bank plc in respect of the Group's borrowings. The outstanding balance of borrowings at 30 April 2014 amounted to £nil (2013: £nil).