

Registered number. 5623945

BBI HEALTHCARE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

WEDNESDAY



A2ADC4M0

A21

12/06/2013

#180

COMPANIES HOUSE

BBI HEALTHCARE LIMITED

CONTENTS

	Page
Company Information	1
Directors' Report	2 - 6
Independent auditors' report to the members of BBI Healthcare Limited	7 - 8
Profit and Loss Account	9
Balance Sheet	10
Notes to the Financial Statements	11 - 20

BBI HEALTHCARE LIMITED

COMPANY INFORMATION

DIRECTORS

L D Rees
L Taylor
P J McCormick (appointed 5 November 2012)
J McNamara (appointed 9 January 2013)

REGISTERED NUMBER

5623945

REGISTERED OFFICE

C/O Berry Smith LLP
Haywood House
Dumfries Place
Cardiff
CF10 3GA

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
One Kingsway
Cardiff
CF10 3PW

BBI HEALTHCARE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their annual report and the audited financial statements of BBI Healthcare Limited ("the company") for the year ended 31 December 2012

PRINCIPAL ACTIVITIES

BBI Healthcare Limited is a 100% owned subsidiary of BBI Holdings Limited ("group") and operates as part of the group's Healthcare division

The company's principle activity is the sale, marketing and distribution of consumer healthcare products

BBI Healthcare Limited has two main product groups, these being

- Diabetes Care where the company supplies a range of treatments for hypoglycaemia together with a blood glucose meter and lancing device
- Women's health where the company supplies a treatment for bacterial vaginosis which is registered as a class 3 medical device and also own label pregnancy tests

BUSINESS REVIEW

Strategy

The company's overriding objective is to achieve attractive and sustainable rates of growth and returns through a combination of organic growth and acquisitions

The key elements to the company's strategy for growth are considered to be as follows

Growing the customer base and maintaining existing customer base

The company is continuing to investigate growth opportunities in new as well as existing markets and introduce new product ranges as discussed below

Introduction of new products

The R&D/Innovations team are constantly working to identify new products to ensure the company remains innovative in a challenging market place

Continue integration across the BBI group

The company is continuing to integrate policies, procedures and operations within the BBI Holdings Limited group. This will enable the company to consolidate its position within the market place and share knowledge and expertise

BBI HEALTHCARE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

Business environment

The commercial environment in which the company functions is highly competitive and highly regulated

Within this competitive environment, the company has differentiated itself from its competitors by establishing itself as an innovative and ambitious company that supplies novel fast acting glucose products, specialist women's health products and heart health and digestive care ranges to domestic and international markets. The company has earned a high quality reputation in the following areas which are considered key for our customers

- Providing simple solutions for people who need to manage their health and wellbeing – products are created with the objective to 'make life easier' for people who need to carefully manage their condition and lifestyle,
- Developing and distributing novel and innovative products to support the management of diabetes,
- Utilising and growing the company's significant distribution chain to bring innovative and meaningful healthcare products to the health professional and retail sectors whilst delivering value and quality to our customers, and
- Driving initiatives and working with leading names in healthcare to improve awareness and education of measured glucose management and intimate women's health issues

Results

The results for the company show a profit on ordinary activities before taxation of £592k (2011: loss of £291k) for the year and turnover of £6,622k (2011: £6,744k)

KEY PERFORMANCE INDICATORS (KPI's)

The company is a subsidiary of BBI Holdings Limited and the group manages its operations on a divisional basis. The company forms part of the group's Healthcare division and for this reason the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the company. The development, performance and position of the Healthcare division of the group, which includes the company, is discussed in the group's annual report which does not form part of this report.

FUTURE DEVELOPMENTS

The external commercial environment is expected to remain highly competitive in 2013 with competitors continuing to invest in their product offerings. The general retail outlook particularly within the UK market, which accounts for more than 90% of turnover, is expected to remain challenging. However, the company is confident that it will at least maintain its current level of performance during the coming year.

BBI HEALTHCARE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the company's strategy are subject to a number of risks. Risks are formally reviewed by the board and appropriate processes put in place to monitor and mitigate them. The key business risks affecting the company are set out below.

Competition and product innovation

The company operates in a competitive market with significant product innovations. The company is subject to the threat of competitors launching new products that could render the company's range of products obsolete and so result in a rapid loss of market share. To reduce this risk the company works in close communication with its customers and suppliers to ensure that the company's own products continue to meet their needs. The company reacts to customer needs by adjusting its strategy accordingly. The company continually seeks new innovative products and technologies in order to maximise its market position and mitigate any risks.

FINANCIAL RISK MANAGEMENT

The company's activities expose it to a number of financial risks including foreign exchange risk, credit risk, liquidity risk, interest rate cash flow risk and price risk. The use of financial derivatives is governed by the group policies approved by the Board of Directors, which provide written principles on the use of financial derivatives to manage these risks. The group does not use derivative financial instruments to manage any of these risks.

Foreign exchange risk

The company's activities expose it primarily to the financial risks of volatility in foreign currency exchange rates. The company does not use foreign exchange forward contracts to hedge these exposures for cost benefit reasons but it does maximise the matching of foreign currency receipts and payments wherever possible to minimise foreign exchange risks.

Credit risk

The company's financial assets are bank balances and cash, trade and other debtors. The company's credit risk is primarily attributable to its trade debtors which are presented in the balance sheet net of allowances for doubtful debts. Customer credit limits are used to manage credit risk and allowances for doubtful debts are made when specific customer events or circumstances give rise to evidence of a reduction in the recoverable cash flows associated with the debt. The company has no significant concentration of credit risk with exposure spread over a large number of customers.

The credit risk on bank balances is limited because the counterparties are banks with high credit ratings assigned by appropriate credit-rating agencies.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of long term and short term debt finance provided by fellow group companies.

Interest rate cash flow risk

The company has interest bearing assets. Interest bearing assets include only bank balances which earn interest at floating rates.

Price risk

The company is exposed to commodity price risk. The company does not manage its exposure to commodity price risk as the costs of managing this exposure exceed any potential benefits.

BBI HEALTHCARE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

DIRECTORS

The directors of the company who served during the year and up to the date of the signing of the financial statements were

L D Rees
L Taylor
P J McCormick (appointed 5 November 2012)
J McNamara (appointed 9 January 2013)

DIVIDENDS

The directors do not recommend the payment of a dividend (2011 £Nil)

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 prepared the financial statements of the company in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

BBI HEALTHCARE LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012**

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 3 June 2013 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'L D Rees', with a stylized flourish at the end.

L D Rees
Director

BBI HEALTHCARE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BBI HEALTHCARE LIMITED

We have audited the financial statements of BBI Healthcare Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

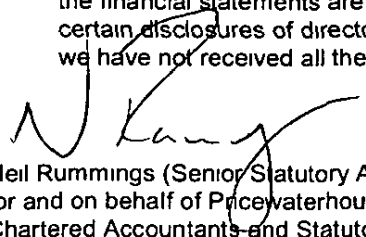
BBI HEALTHCARE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BBI HEALTHCARE LIMITED

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



Neil Rummings (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff

3 June 2013

BBI HEALTHCARE LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	2012 £000	2011 £000
TURNOVER	2	6,622	6,744
Cost of sales		(3,962)	(3,969)
GROSS PROFIT		2,660	2,775
Administrative expenses		(1,971)	(2,922)
OPERATING PROFIT/(LOSS)	3	689	(147)
Interest payable and similar charges	7	(97)	(144)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		592	(291)
Tax on profit/(loss) on ordinary activities	8	46	5
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	18	638	(286)

All amounts relate to continuing operations

There is no material difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the years stated above and their historical cost equivalents

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and Loss Account above and therefore no separate Statement of Total Recognised Gains and Losses has been presented

The notes on pages 11 to 20 form part of these financial statements

BBI HEALTHCARE LIMITED
REGISTERED NUMBER 5623945

BALANCE SHEET
AS AT 31 DECEMBER 2012

	Note	£000	2012 £000	£000	2011 £000
FIXED ASSETS					
Intangible assets	9		1,573		3,079
Tangible assets	10		133		112
Investments	11		271		-
			<u>1,977</u>		<u>3,191</u>
CURRENT ASSETS					
Stocks	12	681		928	
Debtors amounts falling due after more than one year	13	2,760		2,672	
Debtors amounts falling due within one year	13	1,657		1,174	
Cash at bank and in hand		152		618	
		<u>5,250</u>		<u>5,392</u>	
CREDITORS amounts falling due within one year	14	(824)		(893)	
NET CURRENT ASSETS			<u>4,426</u>		<u>4,499</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,403</u>		<u>7,690</u>
CREDITORS amounts falling due after more than one year	15		(2,209)		(4,134)
NET ASSETS			<u>4,194</u>		<u>3,556</u>
CAPITAL AND RESERVES					
Called up share capital	17		-		-
Profit and loss account	18		4,194		3,556
TOTAL SHAREHOLDERS' FUNDS	19		<u>4,194</u>		<u>3,556</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 3 June 2013 by


L D Rees
 Director

The notes on pages 11 to 20 form part of these financial statements

BBI HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

1.2 Consolidation

The company is a wholly-owned subsidiary of BBI Holdings Limited and is included in the consolidated financial statements of BBI Holdings Limited which are publically 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.

1.3 Cash flow

The company is a wholly owned subsidiary of BBI Holdings Limited and is included in the consolidated financial statements of BBI Holdings Limited which are publically available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996).

1.4 Turnover

Turnover represents amounts receivable for goods provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

Revenue is recognised on despatch of the related goods.

1.5 Grants

Grants of a revenue nature are credited to the Profit and Loss Account in line with the related expenditure.

1.6 Intangible fixed assets and amortisation

Goodwill arising on acquisition of businesses is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and amortised through the Profit and Loss Account over the directors estimate of its useful economic life of 20 years. Impairment tests on the carrying value of goodwill are undertaken,

- at the end of the first full financial year following acquisition, and
- in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates,

Plant and machinery	-	10% - 33% straight line
Fixtures and fittings	-	10% - 33% straight line
Computer equipment	-	20% - 33% straight line

BBI HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1 ACCOUNTING POLICIES (continued)

1 8 Investments

Investments held as fixed assets are shown at cost less provision for impairment

1 9 Operating leases

Operating leases and their annual rentals are charged to the Profit and Loss Account on a straight-line basis over the term of the lease

1 10 Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is determined on a first in, first out basis and includes transport and handling costs. Net realisable value is based on estimated selling price in the ordinary course of business, less applicable variable selling expenses. Where necessary, provision is made for obsolete or slow moving stock.

1.11 Current and deferred taxation

The tax expense comprises current and deferred tax. The current tax charge is calculated on the basis of tax laws enacted or substantively enacted at the balance sheet date.

Where tax relief is claimed against losses sustained by other companies in the group, this relief is charged to the company by the donor company at the rate of £1 per every £1 of taxation not paid. Amounts payable for group relief are included in the taxation charge of the company.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

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

1 12 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss Account.

BBI HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES (continued)

1 13 Pensions

The company contributes to a defined contribution pension scheme for certain employees. The assets of the defined contribution scheme are held separately from those of the company in independently administered funds.

Contributions to the company's defined contribution pension scheme are charged to the Profit and Loss Account in the year in which they become payable.

2 TURNOVER

The whole of the turnover is attributable to the principal activity of the company.

A geographical analysis of turnover is as follows:

	2012 £000	2011 £000
United Kingdom	6,241	6,411
Rest of European Union	270	237
Rest of World	111	96
	<u>6,622</u>	<u>6,744</u>

3 OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging/(crediting)

	2012 £000	2011 £000
Amortisation - intangible fixed assets	178	207
Depreciation of tangible fixed assets		
- owned by the company	37	49
Operating lease rentals		
- plant and machinery	95	21
- other operating leases	118	70
Foreign exchange	2	30
Other non-operating income	(2,387)	-
Impairment - intangible fixed assets	1,553	-
	<u>1,553</u>	<u>-</u>

The other non-operating income above is related to the waiving of an intercompany loan with Alere Limited which consisted of outstanding consideration relating to the transfer of the Cedar Health business from Alere Limited to the company in 2009.

4. AUDITORS' REMUNERATION

	2012 £000	2011 £000
Fees payable for the audit	12	13
Fees payable for other services		
Tax compliance	-	4
	<u>-</u>	<u>4</u>

BBI HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

5 STAFF COSTS

Staff costs were as follows

	2012 £000	2011 £000
Wages and salaries	1,076	903
Social security costs	112	98
Other pension costs	32	30
	<u>1,220</u>	<u>1,031</u>

The average monthly number of employees, including the directors, during the year was as follows

	2012 Number	2011 Number
Sales and distribution	27	24
Administration	7	7
	<u>34</u>	<u>31</u>

6. DIRECTORS' REMUNERATION

During the year, one director received aggregate emoluments of £72k (2011 £Nil) and pension contributions of £9k (2011 £Nil) in relation to their services to the company. The remuneration for this director was paid by the company's parent BBI Holdings Limited.

L Rees and L Taylor are employed by other group companies within the BBI Holdings Limited Group and are remunerated by fellow group companies for their services to the group as a whole. It is not practical to allocate their remuneration for their services as a director between group companies. Details of their remuneration can be found in the financial statements of BBI Holdings Limited.

7 INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £000	2011 £000
On bank loans and overdrafts	-	1
On loans from group undertakings	97	143
	<u>97</u>	<u>144</u>

BBI HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

8 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	2012 £000	2011 £000
Analysis of tax credit in the year		
Current tax		
UK corporation tax credit on profit/loss for the year	(39)	(44)
Adjustments in respect of prior years	-	36
Total current tax	(39)	(8)
Deferred tax		
Origination and reversal of timing differences	-	3
Effect of changes in tax rates	1	-
Adjustment in respect of prior periods	(8)	-
Total deferred tax (see note 16)	(7)	3
Tax on profit/(loss) on ordinary activities	(46)	(5)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 - higher than) the standard rate of corporation tax in the UK of 24.5% (2011 26.5%). The differences are explained below

	2012 £000	2011 £000
Profit/(loss) on ordinary activities before tax	592	(291)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 26.5%)	145	(77)
Effects of:		
Expenses not deductible for tax purposes	401	32
Capital allowances less than depreciation	-	3
Adjustments in respect of prior years	-	36
Other timing differences	-	(2)
Income not taxable for tax purposes	(585)	-
Current tax credit for the year	(39)	(8)

Factors that may affect future tax charges

In addition to the changes in rates of Corporation tax disclosed above a number of further changes to the UK Corporation tax system were announced in the March 2012 UK Budget Statement. A resolution passed by Parliament on 26 March 2012 reduced the main rate of corporation tax to 24% from 1 April 2012. Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 was included in the Finance Act 2012. The effect of these changes have been included within these financial statements.

The March 2013 UK Budget Statement proposed further reductions to the main rate to 21% from 1 April 2014 and 20% from 1 April 2015. This had not been substantively enacted at the balance sheet date and, therefore, the effect of, is not included in these financial statements. Accordingly, the deferred tax balance has been calculated using a rate of 23%.

BBI HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

9. INTANGIBLE FIXED ASSETS

	Goodwill £000
Cost	
At 1 January 2012	4,159
Additions	225
At 31 December 2012	4,384
Accumulated amortisation	
At 1 January 2012	1,080
Charge for the year	178
Impairment	1,553
At 31 December 2012	2,811
Net book value	
At 31 December 2012	1,573
At 31 December 2011	3,079

The impairment above is related to goodwill recognised by the company for the Cedar Health business acquired from Alere Limited in 2009. The impairment has been recognised following the decision in the current year to discontinue the sale and distribution of the products to which the intangible asset related. An intercompany loan with Alere Limited which consisted of the outstanding consideration relating to the acquisition of the Cedar Health business has been waived by Alere Limited following the decision to discontinue the sale and distribution of the former Cedar Health products. The waiver of the loan has resulted in the recognition of a non cash credit of £2,387k in the Profit and Loss Account (note 3).

10. TANGIBLE FIXED ASSETS

	Plant and machinery £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost				
At 1 January 2012	68	134	90	292
Additions	4	1	53	58
Disposals	-	-	(34)	(34)
At 31 December 2012	72	135	109	316
Accumulated depreciation				
At 1 January 2012	60	46	74	180
Charge for the year	4	17	16	37
On disposals	-	-	(34)	(34)
At 31 December 2012	64	63	56	183
Net book value				
At 31 December 2012	8	72	53	133
At 31 December 2011	8	88	16	112

BBI HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

11. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2012	-
Additions	271
At 31 December 2012	271
Net book value	
At 31 December 2012	271
At 31 December 2011	-
<i>Subsidiary undertakings</i>	

	Country of incorporation or registration	Class of share capital held	Proportion of share capital held	Nature of business
British Biocell International Healthcare Holding AB	Sweden	Ordinary	100%	Holding company
Kullgren Holding AB	Sweden	Ordinary	100%	Holding company
Rolf Kullgren AB	Sweden	Ordinary	100%	Trading company

12. STOCKS

	2012 £000	2011 £000
Finished goods and goods for resale	681	928

The difference between purchase price or production cost of stocks and their replacement cost is not material

BBI HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

13 DEBTORS

	2012	2011
	£000	£000
Due after more than one year		
Amounts owed by fellow subsidiaries	2,760	2,672

All amounts owed by fellow subsidiaries are unsecured. There are no formal arrangements in place for the repayment of amounts owed by fellow subsidiaries and interest is not charged on these balances. However, the company has provided confirmation that the amount owed will not be called within twelve months from the balance sheet date. Accordingly, the amounts owed by fellow subsidiaries have been classified as debtors due after more than one year.

	2012	2011
	£000	£000
Due within one year		
Trade debtors	1,545	1,020
Amounts owed by group companies	26	18
Other debtors	1	28
Prepayments and accrued income	75	105
Deferred tax asset (see note 16)	10	3
	1,657	1,174

Amounts due from group companies are unsecured, interest free and repayable on demand.

14 CREDITORS

Amounts falling due within one year

	2012	2011
	£000	£000
Trade creditors	551	652
Amounts owed to group companies	4	-
Taxation and social security	29	40
Other creditors	6	8
Accruals and deferred income	234	193
	824	893

Amounts due to group companies are unsecured, interest free and repayable on demand.

15. CREDITORS.

Amounts falling due after more than one year

	2012	2011
	£000	£000
Amounts owed to fellow subsidiaries	2,209	4,134

All amounts owed to fellow subsidiaries are unsecured. There are no formal arrangements in place for the repayment of amounts owed to fellow subsidiaries and interest is not charged on these balances. However, the fellow subsidiaries of the BBI Holdings Limited Group have provided confirmation that the amounts due will not be called within twelve months from the balance sheet date. Accordingly, the amounts owed have been classified as creditors due after more than one year.

BBI HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

16. DEFERRED TAX ASSET

	2012 £000	2011 £000
At beginning of year	3	-
(Charged in)/released during year	(1)	3
Adjustment in respect of previous years	8	-
At end of year	<u>10</u>	<u>3</u>

The deferred tax balance is made up as follows

	2012 £000	2011 £000
Accelerated capital allowances	<u>10</u>	<u>3</u>

17 CALLED UP SHARE CAPITAL

	2012 £	2011 £
Allotted, called up and fully paid		
1 (2011 1) Ordinary share of £1 (2011 £1) per share	<u>1</u>	<u>1</u>

18 RESERVES

	Profit and loss account £000
At 1 January 2012	3,556
Profit for the financial year	638
At 31 December 2012	<u>4,194</u>

19 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012 £000	2011 £000
Opening shareholders' funds	3,556	3,842
Profit/(loss) for the financial year	638	(286)
Closing shareholders' funds	<u>4,194</u>	<u>3,556</u>

20 CONTINGENT LIABILITIES

The company has guaranteed the loan facilities of other group companies. At 31 December 2012, the potential liability was £1,304k (2011 £2,095k). There are no indications that these guarantees will be called upon in the foreseeable future as the group continues to generate cash and service its debt repayments.

BBI HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

21 PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to £32k (2011 £30k). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

22 OPERATING LEASE COMMITMENTS

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2012	2011	2012	2011
	£000	£000	£000	£000
Expiry date:				
Within 1 year	-	-	1	11
Between 2 and 5 years	118	115	77	80
Total	118	115	78	91

23 RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of BBI Holdings Limited and has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with BBI Holdings Limited or other wholly owned subsidiaries within the group.

During the year ended 31 December 2012 BBI Healthcare Limited purchased goods from Swiss Precision Diagnostics. This is a joint venture of which 50% is owned by Alere Inc. Total purchases in the year ended 31 December 2012 were £1,055k (2011 £1,086k) and the total creditor outstanding as at 31 December 2012 was £299k (2011 £149k).

24 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent is BBI Holdings Limited, which is incorporated in England and Wales. BBI Holdings Limited is ultimately owned and controlled by Alere Inc, a company incorporated in the United States of America and who the directors regard as the ultimate controlling party.

At the balance sheet date, BBI Holdings Limited is the smallest company which prepares consolidated financial statements. Copies of the financial statements of BBI Holdings Limited are available from the Company Secretary at Haywood House, Dumfries Place, Cardiff, CF10 3GA.

Alere Inc is the largest company in the group which prepares consolidated financial statements. Copies of the consolidated financial statements can be obtained from Alere Inc, 51 Sawyer Road, Suite 200, Waltham, Massachusetts 02453-3448.