

Registered number: 05623945

BBI HEALTHCARE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

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BBI HEALTHCARE LIMITED

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BBI HEALTHCARE LIMITED

COMPANY INFORMATION

DIRECTORS

L D Rees
L Taylor
P J McCormick
J McNamara (appointed 9 January 2013)
A P Hyland (appointed 4 June 2014)

REGISTERED NUMBER

05623945

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

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present the Strategic Report of BBI Healthcare Limited (the "company") for the year ended 31 December 2013.

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.

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 developing, manufacturing and distributing an innovative portfolio of healthcare products including women's health, energy and digestive products to consumer retail, healthcare professional and export markets from our headquarters in South Wales, and our manufacturing facility in Gnesta, Sweden. All of our products adhere to the quality and regulatory requirements of the markets that we serve.

Our energetic team is highly experienced in the fast pace of fast moving consumer goods sales, marketing and distribution, and we are quick to strategically and creatively respond to the ever-changing needs of the global market place. We work to tight deadlines and are highly focused on our commercial deliverables and those of our customers.

Our products work, and are created to make life easier for our patients. They incorporate eye-catching practical packaging designs that stand out on the shelf, provide clear signposting to our customers, and are well designed with simple instructions so that they can be used easily.

Our range is available for over the counter purchase in the UK and internationally, and some of our products are also available on prescription within the UK.

Our products are delivered to the market in the UK via retail channels including all multiple grocery retailers, high street pharmacies, pharmacy wholesalers, and health and wellbeing outlets, and overseas via a distributor network spanning 55 countries.

We have gained a reputation and have a track record for driving initiatives and working with leading names in healthcare to improve awareness and education of issues around women's health and glucose management.

BBI HEALTHCARE LIMITED

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2013

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 KEY PERFORMANCE INDICATORS

The company is a subsidiary of BBI Holdings Limited and the group manages its operations on a product category basis. The company forms part of the group's Healthcare product category 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 product category of the BBI Holdings Limited group, which includes the company, is discussed in the group's annual report which does not form part of this report.

This report was approved by the board on 1 September 2014 and signed on its behalf by:



L D Rees
Director

BBI HEALTHCARE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their annual report and the audited financial statements of BBI Healthcare Limited (the "company") for the year ended 31 December 2013.

PRINCIPAL ACTIVITIES

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

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.

RESULTS AND DIVIDENDS

The results for the company show a profit on ordinary activities before taxation of £223k (2012: £592k) for the year and turnover of £7,850k (2012: £6,622k).

The directors do not recommend the payment of a dividend (2012: Nil).

FUTURE DEVELOPMENTS

The external commercial environment is expected to remain highly competitive in 2014 with competitors continuing to invest in their product offerings. The general retail outlook particularly within the UK market, which accounts for more than 95% 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.

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.

BBI HEALTHCARE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses long 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.

DIRECTORS

The directors of the company who served during the year and up to the date of the signing of the financial statements, unless otherwise stated, were:

L D Rees
L Taylor
P J McCormick
J McNamara (appointed 9 January 2013)
A P Hyland (appointed 4 June 2014)

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, 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.

BBI HEALTHCARE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

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.

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 1 September 2014 and signed on its behalf by: -



L D Rees
Director

BBI HEALTHCARE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BBI HEALTHCARE LIMITED

Report on the company 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 31 December 2013 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.

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 BBI Healthcare Limited, comprise:

- the Profit and Loss Account for the year ended 31 December 2013;
- the Balance Sheet as at 31 December 2013; 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 comprises applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 & 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 (the "Annual Report") 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.

BBI HEALTHCARE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BBI HEALTHCARE LIMITED

Opinions on matters prescribed by the Companies Act 2006

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

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 if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility.

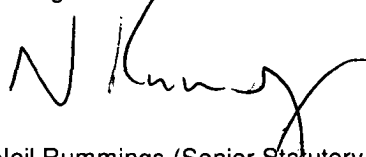
Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement 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.



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

1 September 2014

BBI HEALTHCARE LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £000	2012 £000
TURNOVER	1,2	7,850	6,622
Cost of sales		(4,990)	(3,962)
GROSS PROFIT		2,860	2,660
Administrative expenses		(2,637)	(1,971)
OPERATING PROFIT	3	223	689
Interest payable and similar charges	7	-	(97)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		223	592
Tax on profit on ordinary activities	8	(4)	46
PROFIT FOR THE FINANCIAL YEAR	18	219	638

All amounts relate to continuing operations.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial years stated above and their historical cost equivalents.

There were no recognised gains and losses for 2013 or 2012 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: 05623945

BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	£000	2013 £000	£000	2012 £000
FIXED ASSETS					
Intangible assets	9		1,451		1,573
Tangible assets	10		71		133
Investments	11		644		271
			<u>2,166</u>		<u>1,977</u>
CURRENT ASSETS					
Stocks	12	1,011		681	
Debtors: amounts falling due after more than one year	13	1,413		2,760	
Debtors: amounts falling due within one year	13	1,762		1,657	
Cash at bank and in hand		137		152	
		<u>4,323</u>		<u>5,250</u>	
CREDITORS: amounts falling due within one year	14	<u>(912)</u>		<u>(824)</u>	
NET CURRENT ASSETS			<u>3,411</u>		<u>4,426</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,577</u>		<u>6,403</u>
CREDITORS: amounts falling due after more than one year	15		<u>(1,164)</u>		<u>(2,209)</u>
NET ASSETS			<u><u>4,413</u></u>		<u><u>4,194</u></u>
CAPITAL AND RESERVES					
Called up share capital	17		-		-
Profit and loss account	18		4,413		4,194
TOTAL SHAREHOLDERS' FUNDS	19		<u><u>4,413</u></u>		<u><u>4,194</u></u>

The financial statements on pages 9 to 20 were approved and authorised for issue by the board and were signed on its behalf on 1 September 2014 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 2013

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 'Cash Flow Statement' (revised 1996).

1.4 Related party transactions

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

1.5 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.

1.6 Grants

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

1.7 Goodwill

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.

BBI HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES (continued)

1.8 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

1.9 Investments

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

1.10 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.

1.11 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 a provision is made for obsolete or slow moving stock.

1.12 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.

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.

1.13 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 2013

1. ACCOUNTING POLICIES (continued)

1.14 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:

	2013 £000	2012 £000
United Kingdom	7,475	6,241
Rest of European Union	375	270
Rest of World	-	111
	<u>7,850</u>	<u>6,622</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	2013 £000	2012 £000
Amortisation - intangible fixed assets	124	178
Depreciation of tangible fixed assets:		
- owned by the company	62	37
Operating lease rentals:		
- plant and machinery	21	95
- other operating leases	176	118
Foreign exchange	21	2
Other non-operating income	-	(2,387)
Impairment - intangible fixed assets	-	1,553
	<u></u>	<u></u>

The other non-operating income in the prior year 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

	2013 £000	2012 £000
Fees payable to the company's auditors for the audit of the company's financial statements	<u>6</u>	<u>12</u>

BBI HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2013 £000	2012 £000
Wages and salaries	747	1,076
Social security costs	83	112
Other pension costs	23	32
	<u>853</u>	<u>1,220</u>

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

	2013 Number	2012 Number
Sales and distribution	22	27
Administration	4	7
	<u>26</u>	<u>34</u>

On 1 April 2013, all staff contracts were transferred to a fellow subsidiary, BBI Resources Limited, and costs associated with relevant staff have been recharged to the company since that date.

The information disclosed above represents the full cost and the average number of employees for the year that are directly engaged on the company's business regardless of where the contract of employment is located.

6. DIRECTORS' REMUNERATION

	2013 £000	2012 £000
Aggregate emoluments	<u>114</u>	<u>72</u>
Company pension contributions to defined contribution pension schemes	<u>10</u>	<u>9</u>

During the year retirement benefits were accruing to 1 director (2012: 1) in respect of defined contribution pension schemes.

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

BBI HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £000	2012 £000
On loans from group undertakings	-	97

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2013 £000	2012 £000
Analysis of tax charge/(credit) in the year		
Current tax		
UK corporation tax charge/(credit) on profit for the year	12	(39)
Adjustments in respect of prior years	10	-
Total current tax	22	(39)
Deferred tax		
Origination and reversal of timing differences	45	-
Effect of changes in tax rates	4	1
Adjustment in respect of prior years	(67)	(8)
Total deferred tax (see note 16)	(18)	(7)
Tax on profit on ordinary activities	4	(46)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012: lower than) the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are explained below:

	2013 £000	2012 £000
Profit on ordinary activities before tax	223	592
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012: 24.5%)	52	145
Effects of:		
Expenses not deductible for tax purposes	6	401
Capital allowances less than depreciation	4	-
Utilisation of tax losses	(50)	-
Adjustments in respect of prior years	10	-
Income not taxable for tax purposes	-	(585)
Current tax charge/(credit) for the year	22	(39)

BBI HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

8. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

Factors that may affect future tax charges

The March 2013 Budget Statement announced changes to the UK Corporation tax rates that were substantively enacted as part of the Finance Bill 2013 on 2 July 2013. These reduced the main rate of corporation tax to 21% from 1 April 2014 and to 20% from 1 April 2015. As the changes have been substantively enacted at the balance sheet date their effects are included in these financial statements. Accordingly, the deferred tax balance has been calculated using a rate of 20%. No further changes to future tax rates were announced in the March 2014 Budget Statement on 19 March 2014.

9. INTANGIBLE FIXED ASSETS

	Goodwill £000
Cost	
At 1 January 2013	4,384
Additions	2
	<hr/> 4,386
At 31 December 2013	
Accumulated amortisation	
At 1 January 2013	2,811
Charge for the year	124
	<hr/> 2,935
At 31 December 2013	
Net book value	
At 31 December 2013	<hr/> 1,451
At 31 December 2012	<hr/> 1,573

10. TANGIBLE FIXED ASSETS

	Plant and machinery £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost				
At 1 January 2013 and 31 December 2013	72	135	109	316
Accumulated depreciation				
At 1 January 2013	64	63	56	183
Charge for the year	4	17	41	62
At 31 December 2013	68	80	97	245
Net book value				
At 31 December 2013	4	55	12	71
At 31 December 2012	8	72	53	133

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

				Investments in subsidiary companies £000
Cost				
At 1 January 2013				271
Additional capital contribution				373
				<hr/>
At 31 December 2013				644
				<hr/>
Net book value				
At 31 December 2013				644
				<hr/> <hr/>
At 31 December 2012				271
				<hr/> <hr/>
<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

	2013 £000	2012 £000
Finished goods and goods for resale	1,011	681

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BBI HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

13. DEBTORS

	2013 £000	2012 £000
Due after more than one year		
Amounts owed by fellow subsidiaries	1,413	2,760

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 has been classified as debtors due after more than one year.

	2013 £000	2012 £000
Due within one year		
Trade debtors	1,650	1,545
Amounts owed by group companies	26	26
Other debtors	-	1
Prepayments and accrued income	58	75
Deferred tax asset (see note 16)	28	10
	1,762	1,657

Amounts owed by group companies are unsecured, interest free and repayable on demand.

14. CREDITORS: Amounts falling due within one year

	2013 £000	2012 £000
Trade creditors	391	551
Amounts owed to group companies	3	4
Taxation and social security	33	29
Other creditors	6	6
Accruals and deferred income	479	234
	912	824

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

15. CREDITORS: Amounts falling due after more than one year

	2013 £000	2012 £000
Amounts owed to fellow subsidiaries	1,164	2,209

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 no interest is charged. 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 2013

16. DEFERRED TAX ASSET

	2013 £000	2012 £000
At beginning of year	10	3
Charged to the Profit and Loss Account	(49)	(1)
Adjustment in respect of previous years	67	8
	<u>28</u>	<u>10</u>
At end of year	<u>28</u>	<u>10</u>

The deferred tax balance is made up as follows:

	2013 £000	2012 £000
Accelerated capital allowances	<u>28</u>	<u>10</u>

17. CALLED UP SHARE CAPITAL

	2013 £	2012 £
Allotted, called up and fully paid		
1 (2012: 1) Ordinary share of £1 (2012: £1) per share	<u>1</u>	<u>1</u>

18. PROFIT AND LOSS ACCOUNT

	Profit and loss account £000
At 1 January 2013	4,194
Profit for the financial year	219
	<u>4,413</u>
At 31 December 2013	<u>4,413</u>

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £000	2012 £000
Opening shareholders' funds	4,194	3,556
Profit for the financial year	219	638
	<u>4,413</u>	<u>4,194</u>
Closing shareholders' funds	<u>4,413</u>	<u>4,194</u>

20. CONTINGENT LIABILITIES

The company has guaranteed the loan facilities of other group companies. At 31 December 2013, the potential liability was £Nil (2012: £1,304k).

The company has a guarantee of £80,000 (2012: £80,000) in favour of HM Revenue & Customs for duty deferment bonds.

BBI HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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 £23k (2012: £32k). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

22. OPERATING LEASE COMMITMENTS

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

	Land and buildings		Other	
	2013	2012	2013	2012
	£000	£000	£000	£000
Expiry date:				
Within 1 year	30	-	10	1
Between 2 and 5 years	-	118	12	77
Total	30	118	22	78

23. RELATED PARTY TRANSACTIONS

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

During the year ended 31 December 2013 BBI Healthcare Limited purchased goods from and sold goods to Swiss Precision Diagnostics. This is a joint venture of which 50% is owned by Alere Inc. Total purchases in the year ended 31 December 2013 were £1,359k (2012: £1,055k) and the total creditor outstanding as at 31 December 2013 was £112k (2012: £299k). Total sales in the year ended 31 December 2013 were £53k (2012: £Nil) and the total debtors outstanding as at 31 December 2013 was £Nil (2012: £Nil).

For details of transactions with Alere group companies, refer to the BBI Holdings Limited financial statements.

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.

BBI Holdings Limited is the smallest company in the group which prepares consolidated financial statements. Copies of the consolidated financial statements can be obtained from the Company Secretary at Haywood House, Dumfries Place, Cardiff CF10 3GA.

At the balance sheet date, 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.

BBI HEALTHCARE LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013**

The below represents the consolidated results of BBI Healthcare Limited, British Biocell International Healthcare Holding AB, Kullgren Holding AB and Rolf Kullgren AB.

	2013 £000	2012 £000
GROUP TURNOVER	9,892	9,124
Cost of sales	(5,907)	(5,746)
GROSS PROFIT	3,985	3,378
Administrative expenses	(3,598)	(2,826)
OPERATING PROFIT	387	552
Interest payable and similar charges	(382)	(502)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	50
Tax on profit on ordinary activities	(4)	(6)
PROFIT FOR THE FINANCIAL YEAR	1	44

The supplementary information presented does not form part of the audited financial statements and is unaudited.

BBI HEALTHCARE LIMITED**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2013**

The below represents the consolidated results of BBI Healthcare Limited, British Biocell International Healthcare Holding AB, Kullgren Holding AB and Rolf Kullgren AB.

	2013 £000	2012 £000
FIXED ASSETS		
Intangible assets	8,389	8,893
Tangible assets	860	954
	<u>9,249</u>	<u>9,847</u>
CURRENT ASSETS		
Stocks	1,107	818
Debtors: amounts falling due within one year	2,525	4,832
Cash at bank and in hand	141	1
	<u>3,773</u>	<u>5,651</u>
CREDITORS: amounts falling due within one year	<u>(2,779)</u>	<u>(5,252)</u>
NET CURRENT ASSETS	<u>994</u>	<u>399</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>10,243</u>	<u>10,246</u>
CREDITORS: amounts falling due after more than one year	<u>(6,665)</u>	<u>(6,665)</u>
NET ASSETS	<u>3,578</u>	<u>3,581</u>
CAPITAL AND RESERVES		
Called up share capital	-	-
Profit and loss account	3,578	3,581
TOTAL SHAREHOLDERS' FUNDS	<u>3,578</u>	<u>3,581</u>

The supplementary information presented does not form part of the audited financial statements and is unaudited.