

Johnson & Johnson Management Limited

Annual report and financial statements

For the year ended 28 December 2014



Johnson & Johnson Management Limited

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Johnson & Johnson Management Limited

Company Information

Directors	C R Thorne V Dawkins P Smallcombe M J Robinson
Company secretary	M J Robinson
Registered number	00203555
Registered office	Foundation Park Roxborough Way Maidenhead Berkshire SL6 3UG
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 4th Floor One Reading Central 23 Forbury Road Reading Berkshire RG1 3JH
Bankers	The Royal Bank of Scotland plc Corporate Banking Office PO Box 450 5-10 Great Tower Street London EC3P 3HX
Solicitors	Linklaters LLP One Silk Street London EC2Y 8HQ

Johnson & Johnson Management Limited

Strategic report For the year ended 28 December 2014

The directors present their Strategic report on the company for the year ended 28 December 2014.

Principal activities

The principal activity of the company is to act as a holding company for Johnson & Johnson group companies principally held within the United Kingdom.

Business review

Overall the directors are satisfied with the performance of the company during the year.

The results and dividend section of the Directors' report and the profit and loss account on page 8 show the results for the financial year and the balance sheet on page 9 of the financial statements shows the company's financial position at the end of the year.

Johnson & Johnson, the ultimate parent of the company announced on 16 January 2014 that it had agreed to sell the global Ortho-Clinical Diagnostics business. On 14 April 2014 the company transferred 98.5% of the ordinary shares in Ortho-Clinical Diagnostics to its subsidiary, Johnson & Johnson Medical Ltd. The transfer of shares was for nil consideration.

On 27 May 2014 the members of McNeil Nutritionals Ltd passed a special resolution and appointed liquidators to wind up the company under a Members Voluntary Agreement. On 19 June 2014 the members of Micrus Endovascular UK Ltd and Mentor Medical Systems Ltd passed a special resolution and appointed liquidators to wind up the companies under a Members Voluntary Agreement. The three companies were subsequently dissolved on 22 April 2015.

On 6 October 2014 the company purchased 4,899,998 ordinary shares in Johnson & Johnson Sdn Bhd from Johnson & Johnson Investments Ltd for a consideration of £51,041.

On 6 October 2014 the company purchased 600,000 ordinary shares in Johnson & Johnson (Ireland) Ltd from Johnson & Johnson Investments Ltd for a consideration of £150,000.

On 17 December 2014 the members of Depuy UK Holdings Ltd passed a special resolution and appointed liquidators to wind up the company under a Members Voluntary Agreement. The company received a final dividend of £148,974,000 from Depuy UK Holdings Ltd and £58,067,000 in return for the redemption of its preference share holding in the company. The company recognised an impairment of its investment in Depuy UK Holdings Ltd of £149,000,000 to £nil following the distribution of its net assets. The net loss amount recognised in the profit and loss account for the year was £90,933,000.

Also on 17 December 2014 the members of Johnson & Johnson Investments Ltd passed a special resolution and appointed liquidators to wind up the company under a Members Voluntary Agreement. The company received a final dividend of £16,517,000 from Johnson & Johnson Investment Ltd prior to entering liquidation. An impairment loss of £201,000 has been recognised in the profit and loss account for the year to reduce the carrying amount of the investment to £nil.

Future outlook

Both the level of business and the year end financial position remain satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

Principal risks and uncertainties

The key business risks and uncertainties affecting the company are considered to relate to liquidity risk, foreign exchange risk and interest rate cash flow risk.

Johnson & Johnson Management Limited

Strategic report (continued)
For the year ended 28 December 2014

This report was approved by the board and signed on its behalf.



M J Robinson
Director

Date: 04/09/2015

Directors' report
For the year ended 28 December 2014

The directors present their annual report and the audited financial statements of the company for the year ended 28 December 2014.

Results and dividends

The profit and loss account for the financial year is set out on page 8.

The company's profit for the financial year is £527,957,000 (2013: £151,731,000). During the year the company paid interim dividends totalling £407,868,000 (2013: £120,848,000) representing £19.65 per ordinary share (2013: £5.82). There are no proposed dividends awaiting approval at the balance sheet date (2013: £nil).

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in liquidity risk, foreign exchange risk and interest rate cash flow risk.

Liquidity risk

The company is funded within the Johnson & Johnson group of companies. Its funding requirements are reviewed regularly by both the board of directors and the treasury department of Johnson & Johnson to ensure the company has sufficient available funds for operations and planned expansions.

Foreign exchange risk

The company manages its foreign exchange risk by hedging its significant exposures through a group hedging scheme.

Interest rate cash flow risk

The company has interest bearing assets that earn interest at variable rate. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Future outlook

The directors expectations for the future of the business are set out in the Strategic report included within the annual report and financial statements.

Subsequent events

Events occurring subsequent to the balance sheet date are detailed in note 17 to the financial statements.

Qualifying third party indemnity provisions

At the time the report was approved there are no qualifying third party indemnity provisions in place for the benefit of one or more of the directors.

Directors

The directors who held office during the year and up to the date of signing the financial statements, unless otherwise stated are given below:

C R Thorne
V Dawkins
P Smallcombe
M J Robinson

Directors' report
For the year ended 28 December 2014

Statement of directors' responsibilities

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 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; 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.

Disclosure of information to auditors


All directors in office at the time the report is approved confirm:

So far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware. Each director has taken all the steps that he/she ought to have taken in his/her duty as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place in accordance with s487 of the Companies Act 2006 for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

This report was approved by the board and signed on its behalf.


.....
M J Robinson
Director

Date: 04/09/2015

Independent auditors' report to the members of Johnson & Johnson Management Limited

Report on the financial statements

Our opinion

In our opinion Johnson & Johnson Management Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 28 December 2014 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.

What we have audited

Johnson & Johnson Management Limited's financial statements, comprise:

- the Balance sheet as at 28 December 2014;
- the Profit and loss account 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 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.

Opinions on 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 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.

Independent auditors' report to the members of Johnson & Johnson Management Limited

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 International Standards on Auditing (UK & Ireland) ("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.

What an audit of financial statements involves

We conducted our audit in accordance with 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.

Gavin Crawford (Senior statutory auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
4th Floor
One Reading Central
23 Forbury Road
Reading
Berkshire
RG1 3JH

Date: 4/9/15

Johnson & Johnson Management Limited

Profit and loss account
For the year ended 28 December 2014

	Note	Year ended 28 December 2014 £000	Year ended 29 December 2013 £000
Administrative expenses		(42)	(36)
Operating loss	2	(42)	(36)
Income from shares in group undertakings	5	625,819	159,522
Interest receivable and similar income	6	35	37
Amounts written off investments	10	(91,134)	-
Interest payable and similar charges	7	(4,950)	(7,716)
Profit on ordinary activities before taxation		529,728	151,807
Tax on profit on ordinary activities	8	(1,771)	(76)
Profit for the financial year	15	527,957	151,731

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.


All results are derived from continuing operations.

The company has no recognised gains and losses other than the results above and therefore no separate statement of total recognised gains and losses has been prepared.

Balance sheet
As at 28 December 2014

			28 December 2014 £000	29 December 2013 £000
	Note	£000	£000	£000
Fixed assets				
Investments	10		814,911	925,892
Current assets				
Debtors	11	71,353		63,685
Cash at bank and in hand		51		50
		<u>71,404</u>		<u>63,735</u>
Creditors: amounts falling due within one year	12	<u>(174,091)</u>		<u>(272,492)</u>
Net current liabilities			<u>(102,687)</u>	<u>(208,757)</u>
Total assets less current liabilities			<u>712,224</u>	<u>717,135</u>
Creditors: amounts falling due after more than one year	13		<u>(64)</u>	<u>(125,064)</u>
Net assets			<u><u>712,160</u></u>	<u><u>592,071</u></u>
Capital and reserves				
Called up share capital	14		20,754	20,754
Share premium account	15		14,100	14,100
Capital contribution reserve	15		17,562	17,562
Merger reserve	15		150,626	150,626
Profit and loss account	15		509,118	389,029
Total shareholders' funds	16		<u><u>712,160</u></u>	<u><u>592,071</u></u>

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


.....
M J Robinson
Director

Date: 04/09/2015

The notes on pages 10 to 19 form part of these financial statements.

Notes to the financial statements
For the year ended 28 December 2014

1. Principal accounting policies

Accounting period

The accounting year ended 28 December 2014 consists of 52 weeks. For the purposes of these financial statements the year is referred to as 2014. The accounting year ended 29 December 2013 is referred to as 2013.

Basis of preparation

The financial statements have been prepared on the 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 consistently applied throughout the year are set out below:

Consolidated financial statements

The company is a wholly-owned subsidiary of Johnson & Johnson and is included in the consolidated group financial statements which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 401 of the Companies Act 2006 and therefore these financial statements present information about the company as an individual undertaking.

Fixed asset investments

Fixed asset investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling when the company entered into the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rate ruling at the balance sheet date.

Dividends

Dividends received from subsidiary undertakings are accounted for when received. Dividends paid are accounted for in the year when they are paid.

Cash flow statement

The company is a wholly owned subsidiary of Johnson & Johnson and the cash flows of the company are included in the consolidated financial statements of Johnson & Johnson which are publicly available. Consequently the company is exempt under the terms of FRS 1 (revised 1996) from preparing a cash flow statement.

Related party transactions

The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS8, 'Related Party Disclosures', on the grounds that it is a wholly owned subsidiary of a group headed by Johnson & Johnson, whose financial statements are publicly available.

Notes to the financial statements
For the year ended 28 December 2014

2. Operating loss

	Year ended 28 December 2014 £000	Year ended 29 December 2013 £000
Fees payable to PricewaterhouseCoopers LLP for the statutory audit of the company	12	8

3. Directors' emoluments

The directors during the year were primarily employed by Johnson & Johnson Ltd and Johnson & Johnson Consumer Services EAME Ltd and their remuneration has been borne by those companies (2013: £nil).

4. Employee information

The company did not have any employees during either the current or prior year.

5. Income from shares in group undertakings

	Year ended 28 December 2014 £000	Year ended 29 December 2013 £000
Mentor Medical Systems Ltd	-	1,522
Ortho-Clinical Diagnostics	98,471	148,941
McNeil Nutritionals Ltd	-	5,088
Johnson & Johnson Sdn. Bhd	-	3,971
Johnson & Johnson Medical Ltd	361,857	-
Depuy UK Holdings Ltd	148,974	-
Johnson & Johnson Investments Ltd	16,517	-
	<u>625,819</u>	<u>159,522</u>

6. Interest receivable and similar income

	Year ended 28 December 2014 £000	Year ended 29 December 2013 £000
Interest receivable from third parties	35	37

Notes to the financial statements
For the year ended 28 December 2014

7. Interest payable and similar charges

	Year ended 28 December 2014 £000	Year ended 29 December 2013 £000
Interest payable to group undertakings	4,945	7,621
Dividends paid on preference shares classed as debt	5	95
	<u>4,950</u>	<u>7,716</u>

8. Tax on profit on ordinary activities

	Year ended 28 December 2014 £000	Year ended 29 December 2013 £000
Analysis of tax charge in the year		
UK corporation tax charge/(credit) on profit for the year	-	(1,771)
Adjustments in respect of prior periods	1,771	1,847
Total current tax on profit on ordinary activities	<u>1,771</u>	<u>76</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower (2013: lower) than the standard rate of corporation tax in the UK of 21.50% (2013: 23.25%). The differences are explained below:

	Year ended 28 December 2014 £000	Year ended 29 December 2013 £000
Profit on ordinary activities before taxation	<u>529,728</u>	<u>151,807</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.50% (2013: 23.25%)	113,892	35,295
Effects of:		
Expenses not deductible for tax purposes	19,590	22
Adjustments in respect of prior periods	1,771	1,847
Income not taxable	(134,545)	(37,088)
Group relief	1,063	-
Total current tax charge for the year (see note above)	<u>1,771</u>	<u>76</u>

Notes to the financial statements
For the year ended 28 December 2014

8. Tax on profit on ordinary activities (continued)

Factors affecting current and future tax charges

The standard rate of Corporation Tax in the UK changed from 23% to 21% with effect from 1 April 2014. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 21.50%.

On 2 July 2013 a change in the UK main corporation tax rate to 20% was substantively enacted to be in effect from 1 April 2015.

Deferred tax

As at 28 December 2014 the company had no deferred tax asset or liability (2013: £nil).

9. Dividends

	Year ended 28 December 2014 £000	Year ended 29 December 2013 £000
Interim dividends paid: £19.65 (2013: £5.82) per ordinary £1 share	<u>407,868</u>	<u>120,848</u>

Notes to the financial statements
For the year ended 28 December 2014

10. Fixed asset investments

	£000
Cost	
At 30 December 2013	925,892
Additions	38,220
At 28 December 2014	964,112
Accumulated impairments	
At 30 December 2013	-
Impairments charged to profit and loss account in year	(149,201)
At 28 December 2014	(149,201)
Net book amount	
At 28 December 2014	814,911
At 29 December 2013	925,892

Investments comprise interests in group undertakings.

The subsidiaries of the company at 28 December 2014 were:

Name of company	Country of incorporation	Holding	Proportion held	Status
Johnson & Johnson Medical Ltd	England & Wales	Ordinary shares of £1	100%	Active
Johnson & Johnson Ltd	England & Wales	Ordinary shares of £1	100%	Active
Johnson & Johnson Consumer Services EAME Ltd	England & Wales	Ordinary shares of £1	100%	Active
Johnson & Johnson Investment Ltd	England & Wales	Ordinary shares of £1	100%	In liquidation
Johnson & Johnson Innovation Ltd	England & Wales	Ordinary shares of £1	100%	Active
Johnson & Johnson Finance Ltd	England & Wales	Ordinary shares of £1	100%	Active
Depuy UK Holdings Ltd	England & Wales	Ordinary shares of £1	100%	In liquidation
Micrus Endovascular UK Ltd	England & Wales	Ordinary shares of £1	100%	Dissolved
Mentor Biopolymers Ltd	England & Wales	Ordinary shares of £1	100%	In liquidation
Mentor Medical Systems Ltd	England & Wales	Ordinary shares of £1	100%	Dissolved
McNeil Nutritionals Ltd	England & Wales	Ordinary shares of £1	100%	Dissolved
Synthes Ltd	England & Wales	Ordinary shares of £1	100%	In liquidation
Johnson & Johnson Sdn Bhd	Malaysia	Ordinary shares of £1	100%	Active
Johnson & Johnson (Ireland) Ltd	Ireland	Ordinary shares of £1	100%	Active

The principal activities of the subsidiaries are the manufacture and sale of healthcare products. All of the above companies operate principally in their country of incorporation.

The directors believe that the book value of the investments are supported by their underlying net assets and anticipated future income streams. The table below shows the profit/(loss) after tax for the year ended 28 December 2014, unless otherwise indicated and at the year end, aggregate capital and reserves based on draft unaudited (*audited) financial information. The comparative figures for 2013 are based on audited financial statements.

Notes to the financial statements
For the year ended 28 December 2014

10. Fixed asset investments (continued)

Name of company	Profit/(loss) after tax		Capital and reserves	
	2014 £000	2013 £000	2014 £000	2013 £000
Johnson & Johnson Medical Ltd*	410,503	(663)	224,349	183,608
Johnson & Johnson Ltd	11,588	7,203	53,974	43,663
Johnson & Johnson Consumer Services EAME Ltd (€000)	5,610	4,882	39,033	36,991
Johnson & Johnson Innovation Ltd	1,989	2,284	16,323	14,525
Johnson & Johnson Finance Ltd	2,660	2,617	19,219	16,506
Mentor Biopolymers Ltd**	(1)	19	(414)	(413)
Synthes Ltd ***	-	26,206	56,293	56,293
Johnson & Johnson Sdn Bhd	9,594	7,460	44,900	37,070
Johnson & Johnson (Ireland) Ltd (€000)	1,340	3,151	48,367	44,156

** The 2013 results reflect the year ended 31 March 2013 and the 2014 results reflect the year ended 30 September 2014.

*** The 2013 and 2014 results reflect the unaudited financials for the 18 month period ended to 30 June 2014 and the 6 month period to 28 December 2014 respectively.

Johnson & Johnson, the ultimate parent of the company announced on 16 January 2014 that it had agreed to sell the global Ortho-Clinical Diagnostics business. On 14 April 2014 the company transferred 98.5% of the ordinary shares in Ortho-Clinical Diagnostics to its subsidiary, Johnson & Johnson Medical Ltd. The transfer of shares was for nil consideration but prior to this date the company received £98,471,000 in dividends from Ortho-Clinical Diagnostics. The sale of the Ortho-Clinical Diagnostics global business was concluded on 30 June 2014 and Johnson & Johnson Medical Ltd received a consideration of £446,353,000 in exchange for the sale of the 98.5% investment in the UK group subsidiary, Ortho-Clinical Diagnostics.

On 27 May 2014 the members of McNeil Nutritionals Ltd passed a special resolution and appointed liquidators to wind up the company under a Members Voluntary Agreement. On 19 June 2014 the members of Micrus Endovascular UK Ltd and Mentor Medical Systems Ltd passed a special resolution and appointed liquidators to wind up the companies under a Members Voluntary Agreement. The three companies were subsequently dissolved on 22 April 2015.

On 6 October 2014 the company purchased 4,899,998 ordinary shares in Johnson & Johnson Sdn Bhd from Johnson & Johnson Investments Ltd for a consideration of £51,041.

On 6 October 2014 the company purchased 600,000 ordinary shares in Johnson & Johnson (Ireland) Ltd from Johnson & Johnson Investments Ltd for a consideration of £150,000.

On 17 December 2014 the members of Depuy UK Holdings Ltd passed a special resolution and appointed liquidators to wind up the company under a Members Voluntary Agreement. The company received a final dividend of £148,974,000 from Depuy UK Holdings Ltd and £58,067,000 in return for the redemption of its preference share holding in the company. The company recognised an impairment of its investment in Depuy UK Holdings Ltd of £149,000,000 to £nil following the distribution of its net assets. The net loss amount recognised in the profit and loss account for the year was £90,933,000.

Also on 17 December 2014 the members of Johnson & Johnson Investments Ltd passed a special resolution and appointed liquidators to wind up the company under a Members Voluntary Agreement. The company received a final dividend of £16,517,000 from Johnson & Johnson Investment Ltd prior to entering liquidation. An impairment loss of £201,000 has been recognised in the profit and loss account for the year to reduce the carrying amount of the investment to £nil.

On 20 January 2015 the company paid a capital contribution to its subsidiary, Mentor Biopolymers Ltd of £507,211. On 24 June 2015 the members of Mentor Biopolymers Ltd passed a special resolution and appointed liquidators to wind up the company under a Members Voluntary Agreement.

Notes to the financial statements
For the year ended 28 December 2014

10. Fixed asset investments (continued)

On 11 March 2015 Synthes Ltd paid a dividend of £56,273,000 to the company and subsequently on 18 March 2015 the members of Synthes Ltd passed a special resolution and appointed liquidators to wind up the company under a Members Voluntary Agreement.

11. Debtors

	28 December 2014 £000	29 December 2013 £000
Amounts falling due within one year		
Amounts owed by group undertakings	71,353	60,303
Corporation tax	-	1,771
Other debtors	-	1,611
	71,353	63,685

Amounts owed by group undertakings are unsecured, interest free and have no fixed repayment date.

12. Creditors: amounts falling due within one year

	28 December 2014 £000	29 December 2013 £000
Amounts owed to group undertakings	173,875	272,484
Corporation tax	3	-
Accrued preference share dividends	5	-
Other creditors	196	-
Accruals and deferred income	12	8
	174,091	272,492

Amounts owed to group undertakings in respect of the group cash pool are unsecured, interest bearing at a rate of 0.61% (2013: 0.73%), have no fixed repayment date and are repayable on demand. All other amounts owed to group undertakings are interest free.

Notes to the financial statements
For the year ended 28 December 2014

13. Creditors: amounts falling due after more than one year

	28 December 2014 £000	29 December 2013 £000
Amounts owed to group undertakings	-	125,000
Loans and other borrowings	64	64
	64	125,064

Amounts owed to group undertakings of £125,000,000 in the prior year related to a loan to the company from DePuy International Holdings Ltd. The loan was repaid in full during the year.

	28 December 2014 £000	29 December 2013 £000
Maturity of financial liabilities		
In less than one year	-	-
In more than one year, but not more than two years	-	-
In more than two years, but not more than five years	-	-
In more than five years	64	64
	64	64

Notes to the financial statements
For the year ended 28 December 2014

14. Called up share capital

	28 December 2014 £000	29 December 2013 £000
Shares classified as capital		
Authorised		
20,753,399 (2013: 20,753,399) ordinary shares of £1 each	20,754	20,754
Allotted, called up and fully paid		
20,753,399 (2013: 20,753,399) ordinary shares of £1 each	20,754	20,754
Shares classified as debt		
Authorised		
90,000 (2013: 90,000) 8.25% convertible preference shares of £1 each	90	90
Allotted, called up and fully paid		
64,000 (2013: 64,000) 8.25% convertible preference shares of £1 each	64	64

Preference share capital is included in loans and other borrowings. The preference shares are non-voting and have preferential rights to return of capital on a winding up in addition to the payment of arrears of dividends.

15. Reserves

	Share premium account £000	Capital contribution reserve £000	Merger reserves £000	Profit and loss account £000
At 30 December 2013	14,100	17,562	150,626	389,029
Profit for the financial year	-	-	-	527,957
Dividends	-	-	-	(407,868)
At 28 December 2014	14,100	17,562	150,626	509,118

16. Reconciliation of movement in shareholders' funds

	28 December 2014 £000	29 December 2013 £000
Opening shareholders' funds	592,071	561,188
Profit for the financial year	527,957	151,731
Dividends	(407,868)	(120,848)
Closing shareholders' funds	712,160	592,071

Notes to the financial statements
For the year ended 28 December 2014

17. Subsequent events

On 20 January 2015 the company paid a capital contribution to its subsidiary, Mentor Biopolymers Ltd of £507,211.

On 18 March 2015 the members of Synthes Ltd passed a special resolution and appointed liquidators to wind up the company under a Members Voluntary Agreement.

On 22 April 2015 McNeil Nutritionals Ltd, Micrus Endovascular UK Ltd and Mentor Medical Systems Ltd were dissolved.

On 24 June 2015 the members of Mentor Biopolymers Ltd passed a special resolution and appointed liquidators to wind up the company under a Members Voluntary Agreement.

18. Ultimate and immediate parent companies and controlling party

The immediate parent company is JJHC LLC.

The directors regard Johnson & Johnson, a company registered in the United States of America, as the ultimate parent company and ultimate controlling party. This is the smallest and largest group of which the company is a member and for which group financial statements are prepared. Copies of the consolidated financial statements may be obtained from Johnson & Johnson, One Johnson & Johnson Plaza, New Brunswick, New Jersey 08933, USA.