

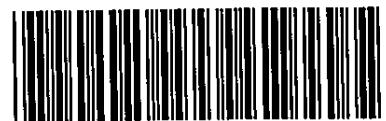
Registered No 952172

REPORT AND ACCOUNTS

ALCOS DISTRIBUTORS LIMITED

31 December 2009

WEDNESDAY



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COMPANIES HOUSE

ALCOS DISTRIBUTORS LIMITED

Registered No 952172

DIRECTORS

S Henderson (appointed 22/05/2009)

G E M Parsons

P R Chambers (resigned 22/06/2009)

SECRETARY

Smith & Nephew Nominee Services Limited

AUDITORS

Ernst & Young LLP

1 More London Place

London

SE1 2AF

REGISTERED OFFICE

15 Adam Street

London

WC2N 6LA

ALCOS DISTRIBUTORS LIMITED

Registered No 952172

DIRECTORS' REPORT

The Directors present their report and accounts for the year ended 31 December 2009

Directors

The names of the Directors are shown on page 1

Principal activities of the Company

The principal activity of the Company continues to be that of acting as a finance company. The Company operates in the United Kingdom and through a branch in Spain.

Principal risks and uncertainties

The principal risk facing the Company is recoverability of inter-company debts.

Business review

The Company made a loss of £3,000 during the year (2008 – loss of £2,000). The Directors do not recommend the payment of a dividend (2008 – nil).

Statement of Directors' responsibilities for the accounts

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to 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.

Going Concern Statement

No material uncertainties that cast significant doubt about the ability of the company to continue as a going concern have been identified by the Directors.

ALCOS DISTRIBUTORS LIMITED

Registered No. 952172

DIRECTORS' REPORT (continued)

Disclosure of Information to auditors

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the group's auditor, each Director has taken all the steps that he/she is obliged to take as a Director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Elective resolutions

In accordance with s 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for the reappointment of Ernst & Young LLP as auditor of the Group and company. Ernst & Young LLP have confirmed their willingness to continue in office.

By order of the Board



Smith & Nephew Nominee Services Limited
Secretary

15 September 2010

ALCOS DISTRIBUTORS LIMITED

Registered No 952172

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALCOS DISTRIBUTORS LIMITED

We have audited the accounts of Alcos Distributors Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 11. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit the accounts 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts 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 accounts.

Opinion on accounts

In our opinion the accounts

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

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 accounts 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.

Ernst & Young LLP

Andrew Walton (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor

London
15 September 2010

ALCOS DISTRIBUTORS LIMITED

Registered No 952172

**PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2009**

	Notes	2009 £'000	2008 £'000
Administrative expenses	2 & 3	(3)	(2)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(3)	(2)
Taxation	4	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(3)	(2)

All of the activities of the Company are continuing

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 December 2009**

There were no recognised gains or losses other than the loss attributable to shareholders of the Company of £3,000 in the year ended 31 December 2009 (£2,000 loss in the year ended 31 December 2008)

ALCOS DISTRIBUTORS LIMITED

Registered No 952172

BALANCE SHEET

at 31 December 2009

	Notes	2009 £'000	2008 £'000
CURRENT ASSETS			
Debtors amounts falling due within one year	5	114	115
Cash at bank and in hand		3	3
		117	118
CREDITORS amounts falling due within one year	6	(8)	(6)
NET CURRENT ASSETS		109	112
CAPITAL AND RESERVES			
Called up share capital	7	-	-
Profit and loss account	8	109	112
EQUITY SHAREHOLDER'S FUNDS	8	109	112

These financial statements were approved by the Board of Directors on 15 September 2010



S Henderson
Director

ALCOS DISTRIBUTORS LIMITED

Registered No. 952172

NOTES TO THE ACCOUNTS

at 31 December 2009

1 ACCOUNTING POLICIES**Accounting Convention**

The accounts are prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK accounting standards

Foreign Currencies

Transactions in foreign currencies are initially recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All exchange differences are dealt with in arriving at profit before taxation.

2 AUDIT AND NON AUDIT SERVICES

Certain fees for audit and non-audit services provided by Ernst & Young LLP to the Company have been borne by a fellow group company. It is not practicable to ascertain what proportion of such fees relates to the Company.

3 DIRECTORS' REMUNERATION

All employment costs attributable to the Directors are borne by a fellow group company.

4 TAXATION

	2009 £'000	2008 £'000
(a) Analysis of the charge in the period		
Current tax	-	-
UK corporation tax credit	-	-
(b) Factors affecting tax charge for period		
The UK Corporation tax credit of £nil (2008: £nil) is based on the standard rate of corporation tax in the UK – 28% (2008: 28.5%). This is explained below.		
Loss on ordinary activities before tax	3	2
Tax credit at the UK statutory rate of 28% (2008: 28.5%)	1	1
Non-deductible expenses	(1)	(1)
Current tax credit	-	-
(c) Factors affecting future tax charges		
The enacted tax rate applicable from 1 April 2011 has reduced to 27%.		
(d) There are no deferred tax assets or liabilities at the year-end as there are no accelerated capital allowances or other timing differences in the Company.		

ALCOS DISTRIBUTORS LIMITED

Registered No. 952172

NOTES TO THE ACCOUNTS (continued)
at 31 December 2009**5 DEBTORS**

	2009	2008
	£'000	£'000
Amounts owed by group undertakings	114	115

6 CREDITORS amounts falling due within one year

	2009	2008
	£'000	£'000
Amounts over to group undertakings	(3)	-
Other creditors	(5)	(6)
	(8)	(6)

7 CALLED UP SHARE CAPITAL

	Authorised 2009 and 2008	Allotted, issued and fully paid 2009 and 2008
	£	£
Ordinary shares of £1 each	100	100

8 RECONCILIATION OF SHAREHOLDER'S FUNDS AND MOVEMENT IN RESERVES

	Share capital £'000	Profit and Loss Account £'000	2009 Total Shareholder's Funds £'000	2008 Total Shareholder's Funds £'000
Balance at 1 January	-	112	112	114
Loss for the year	-	(3)	(3)	(2)
As at 31 December	-	109	109	112

9 CASH FLOW STATEMENT

The Company is not required to produce a cash flow statement as it is a wholly owned subsidiary of Smith & Nephew plc which prepares consolidated financial statements in which the Company is included

10 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in FRS 8 Related Party Transactions from disclosing transactions with related parties that are members of the Smith & Nephew plc group

11 PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent undertaking is Smith & Nephew (Overseas) Limited, a company registered in England and Wales. In the Directors' opinion the Company's ultimate parent undertaking and controlling party is Smith & Nephew plc, a company registered in England and Wales. Copies of its group accounts, which include the Company, are available from 15 Adam Street, London, WC2N 6LA