

Company Registration No. 1231087 (England and Wales)

**HAEMONETICS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 29 MARCH 2008**

TUESDAY



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# HAEMONETICS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	C J Lindop Esq	(Appointed 10 September 2007)
	C Tomosivitch Esq	(Appointed 10 September 2007)
	Ms E A Manning	(Appointed 7 September 2007)
<b>Company number</b>	1231087	
<b>Registered office</b>	Lynwood House 373/375 Station Road Harrow, Middlesex HA1 2AW	
<b>Auditors</b>	Ernst & Young LLP George House 50 George Square Glasgow G2 1RR	
<b>Business address</b>	PO Box 262 CH - 1274 Signy - Centre Switzerland	

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# HAEMONETICS LIMITED

## CONTENTS

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	<b>Page</b>
Directors' report	1 - 2
Independent auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 - 15

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# HAEMONETICS LIMITED

## DIRECTORS' REPORT

### FOR THE PERIOD ENDED 29 MARCH 2008

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The directors present their report and financial statements for the period ended 29 March 2008.

#### Principal activities and review of the business

The principal activity of the company continued to be that of the marketing of blood processing equipment and disposables with full after sales services.

The results for the period and the financial position at the period end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

The principal risks facing the company are:

- anticipation and meeting the needs of the medical field;
- obtaining regulatory approval to market and sell products.

The company's key performance indicators are turnover and gross profit margins. The turnover of the company increased from £2.7 million to £3.5 million (an increase of 30%). This was because of better market awareness of the company's products together with the company competitiveness in pricing the products. However, the gross profit margins worsened from 54% to 34%. The reasons for these are that the Haemonetics group underwent a reorganisation, particularly in the European region together with increased competitiveness in the market.

#### Results and dividends

The results for the period are set out on page 4.

An interim ordinary dividend was paid amounting to £950,000. The directors do not recommend payment of a final dividend.

#### Future developments

The continued increase in demand for plasma derived pharmaceuticals, particularly intravenous immunoglobulin, is a key driver of increased plasma collections in the worldwide commercial plasma collection markets. The company has a good reputation in the market and is well placed to meet this demand.

#### Directors

The following directors have held office since 1 April 2007:

C J Lindop Esq	(Appointed 10 September 2007)
C Tomosivitch Esq	(Appointed 10 September 2007)
Ms E A Manning	(Appointed 7 September 2007)
K Docherty Esq	(Resigned 9 September 2007)
T Edgar Esq	(Resigned 9 September 2007)
R J Ryan Esq	(Resigned 9 September 2007)

#### Creditor payment policy

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

On average, trade creditors at the year end represented 3 (2007- 5) days' purchases.

#### Auditors

In accordance with the Company's Articles, a resolution proposing that Ernst & Young LLP be reappointed as auditors of the company will be put at a General Meeting.

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# HAEMONETICS LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE PERIOD ENDED 29 MARCH 2008**

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### Directors' responsibilities

The directors are responsible for preparing the directors' report and 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 these 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;
- 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 enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

### Statement of disclosure 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 company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

On behalf of the board



C Tomosivitch Esq

Director

26 June 2009

# HAEMONETICS LIMITED

## INDEPENDENT AUDITORS' REPORT

### TO THE SHAREHOLDERS OF HAEMONETICS LIMITED

We have audited the company's financial statements for the 52 weeks ended 29 March 2008 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 22. These financial statements have been prepared under the accounting policies set out therein.

This report is made to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 the directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 29 March 2008 and of its profit for the 52 weeks then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

*Ernst & Young LLP*

Ernst & Young LLP  
Registered Auditor  
Glasgow

30/6/09

# HAEMONETICS LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 29 MARCH 2008

		52 Weeks ended 29 March 2008 £	52 Weeks ended 31 March 2007 £
	Notes		
Turnover	2	3,511,286	2,664,999
Cost of sales		(2,324,806)	(1,233,271)
Gross profit		1,186,480	1,431,728
Administrative expenses		(961,656)	(1,411,654)
Other operating income		120,000	120,000
Operating profit	3	344,824	140,074
Interest receivable	4	237,398	209,717
Interest payable and similar charges	5	-	(4,631)
Profit on ordinary activities before taxation		582,222	345,160
Tax on profit on ordinary activities	6	(250,131)	(137,058)
Profit for the period	15	332,091	208,102

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

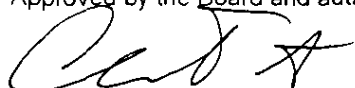
# HAEMONETICS LIMITED

## BALANCE SHEET

AS AT 29 MARCH 2008

	Notes	2008 £	£	2007 £	£
<b>Fixed assets</b>					
Tangible assets	8		861,186		944,217
<b>Current assets</b>					
Stocks	9	431,347		670,282	
Debtors: amounts falling due after more than one year	10	4,132,616		4,132,616	
Debtors: amounts falling due within one year	10	1,372,925		540,104	
Cash at bank and in hand		650,369		1,533,135	
		<u>6,587,257</u>		<u>6,876,137</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(777,158)</u>		<u>(583,659)</u>	
<b>Net current assets</b>			<u>5,810,099</u>		<u>6,292,478</u>
<b>Total assets less current liabilities</b>			6,671,285		7,236,695
<b>Provisions for liabilities</b>	12		<u>(173,039)</u>		<u>(120,540)</u>
			<u>6,498,246</u>		<u>7,116,155</u>
<b>Capital and reserves</b>					
Called up share capital	14		50,000		50,000
Profit and loss account	15		6,448,246		7,066,155
<b>Shareholders' funds</b>	16		<u>6,498,246</u>		<u>7,116,155</u>

Approved by the Board and authorised for issue on 26 June 2009



C Tomosivitch Esq  
Director



# HAEMONETICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 29 MARCH 2008

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently.

#### 1.3 Turnover

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

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land	Nil
Freehold buildings	Straight line over 30 years
Leasehold property	Straight line over the shorter of the lease term and 15 years
Fixtures, fittings & equipment	Straight line over 3 to 10 years

#### 1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.6 Stock

Stock is valued at the lower of cost and net realisable value.

Provision is made for obsolete, slow moving or defective items where appropriate.

Stock on loan to customers is written off over a period of three years commencing twelve months after the start of the loan period.

#### 1.7 Revenue recognition

The company's revenue from selling and marketing activities is largely derived from machines installed at customer sites under use-plan agreements. These agreements generally include a commitment for certain minimum levels of disposable product usage and stated disposable prices over the contract term. Under these agreements, the equipment remains the property of the company. Contracts for use-plan arrangements generally vary in length from one to four years.

As the equipment remains the property of the company, no equipment revenue is recognised and the equipment is carried in stock in the balance sheet and amortised over the contract life. Income attributable to these contracts is recognised over the term of the arrangement.

# HAEMONETICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 MARCH 2008

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### 1 Accounting policies (continued)

#### 1.8 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the period they are payable. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Balance Sheet.

#### 1.9 Deferred taxation

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

Deferred tax assets are recognised only to the extent that the directors consider it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the Balance Sheet date.

#### 1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

### 2 Turnover

#### Geographical market

	2008 £	2007 £
United Kingdom	3,390,011	2,525,259
Rest of Europe	121,275	139,740
	<u>3,511,286</u>	<u>2,664,999</u>

# HAEMONETICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 MARCH 2008

3	Operating profit	2008 £	2007 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	87,474	96,454
	Loss on disposal of tangible assets	47	16,562
	Loss on foreign exchange transactions	9,806	2,281
	Operating lease rentals		
	- Plant and machinery	53,906	72,270
	- Land and buildings	-	15,920
	Auditors' remuneration	11,700	10,800
	Directors' emoluments	46,137	14,117

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2007 - 1).

4	Interest receivable	2008 £	2007 £
	Bank interest receivable	34,919	7,238
	Interest receivable from fellow subsidiary	202,479	202,479
		<u>237,398</u>	<u>209,717</u>

5	Interest payable and similar charges	2008 £	2007 £
	On overdue tax	-	1,618
	Other interest	-	3,013
		<u>-</u>	<u>4,631</u>

# HAEMONETICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 MARCH 2008

6	Taxation	2008 £	2007 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	197,632	144,707
	<b>Current tax charge</b>	197,632	144,707
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	52,499	(7,649)
		<u>250,131</u>	<u>137,058</u>
	<b>Factors affecting the tax charge for the period</b>		
	Profit on ordinary activities before taxation	<u>582,222</u>	<u>345,160</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2007 - 30.00%)	<u>174,667</u>	<u>103,548</u>
	Effects of:		
	Non deductible expenses	7,988	18,710
	Capital allowances	14,977	22,449
		<u>22,965</u>	<u>41,159</u>
	<b>Current tax charge</b>	<u>197,632</u>	<u>144,707</u>
7	<b>Dividends</b>	2008 £	2007 £
	Ordinary interim paid 29 September 2007	<u>950,000</u>	<u>-</u>

# HAEMONETICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 29 MARCH 2008

### 8 Tangible fixed assets

	Land and buildings Freehold £	Leasehold property £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>				
At 1 April 2007	1,055,196	804,481	235,107	2,094,784
Additions	-	-	4,490	4,490
Disposals	-	-	(222,121)	(222,121)
At 29 March 2008	1,055,196	804,481	17,476	1,877,153
<b>Depreciation</b>				
At 1 April 2007	382,949	538,807	228,811	1,150,567
On disposals	-	-	(222,074)	(222,074)
Charge for the period	30,551	53,287	3,636	87,474
At 29 March 2008	413,500	592,094	10,373	1,015,967
<b>Net book value</b>				
At 29 March 2008	641,696	212,387	7,103	861,186
At 31 March 2007	672,247	265,674	6,296	944,217

### 9 Stocks

	2008 £	2007 £
Finished goods	431,347	670,282

Included within stock is £296,949 (2007: £485,589) in respect of equipment in use by customers but which remain the property of Haemonetics Limited.

# HAEMONETICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 MARCH 2008

10 Debtors	2008 £	2007 £
Trade debtors	1,287,545	520,727
Amounts owed by group undertakings	4,132,616	4,132,616
Other debtors	73,620	-
Prepayments and accrued income	11,760	19,377
	<u>5,505,541</u>	<u>4,672,720</u>

Amounts falling due after more than one year and included in the debtors above are:

	2008 £	2007 £
Amounts owed by group undertakings	<u>4,132,616</u>	<u>4,132,616</u>

Interest on the loan to a fellow subsidiary undertaking is charged at rates that vary relative to the rate on one-year sterling deposits. The loan is repayable by 31 March 2022.

11 Creditors: amounts falling due within one year	2008 £	2007 £
Bank loans and overdrafts	280	-
Trade creditors	17,545	16,397
Amounts owed to parent and fellow subsidiary undertakings	411,317	183,005
Corporation tax	130,658	66,515
Other taxes and social security costs	11,292	119,936
Accruals and deferred income	206,066	197,806
	<u>777,158</u>	<u>583,659</u>

# HAEMONETICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 MARCH 2008

### 12 Provisions for liabilities

	Deferred tax liability £
Balance at 1 April 2007	120,540
Profit and loss account	52,499
	<u>173,039</u>
Balance at 29 March 2008	<u>173,039</u>

The deferred tax liability is made up as follows:

	2008 £	2007 £
Accelerated capital allowances	174,675	121,830
Other timing differences	(1,636)	(1,290)
	<u>173,039</u>	<u>120,540</u>

### 13 Pension and other post-retirement benefit commitments

#### Defined contribution

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 cost charge represents contributions payable by the company to the fund. At the year ended there was an unpaid amount of £2,627 (2007: £7,873).

	2008 £	2007 £
Contributions payable by the company for the period	<u>19,405</u>	<u>26,021</u>

### 14 Share capital

	2008 £	2007 £
<b>Authorised</b>		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
<b>Allotted, called up and fully paid</b>		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

# HAEMONETICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 MARCH 2008

### 15 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2007	7,066,155
Profit for the period	332,091
Dividends paid	(950,000)
Balance at 29 March 2008	<u>6,448,246</u>

### 16 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit for the financial period	332,091	208,102
Dividends	(950,000)	-
Net (depletion in)/addition to shareholders' funds	(617,909)	208,102
Opening shareholders' funds	7,116,155	6,908,053
Closing shareholders' funds	<u>6,498,246</u>	<u>7,116,155</u>

### 17 Contingent liabilities

Counter indemnities are held by Barclays Bank plc in favour of H M Revenue and Customs for the sum of £60,000 (2007: £60,000) with respect to Duty Deferment Guarantees.

### 18 Commitments under operating leases

At 29 March 2008 the company was committed to making the following payments under non-cancellable operating leases in the year to 29 March 2009:

	Other 2008 £	2007 £
Operating leases which expire:		
Within one year	10,769	11,866
Between two and five years	80,927	33,054
	<u>91,696</u>	<u>44,920</u>



# HAEMONETICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 MARCH 2008

19 Directors' emoluments	2008 £	2007 £
Emoluments for qualifying services	43,354	12,777
Company pension contributions to money purchase schemes	2,783	1,340
	<u>46,137</u>	<u>14,117</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2007 - 1).

### 20 Employees

#### Number of employees

The average monthly number of employees during the period was:

	2008 Number	2007 Number
Selling and distribution	9	8
Administration	3	3
	<u>12</u>	<u>11</u>

Employment costs	2008 £	2007 £
Wages and salaries	314,134	258,221
Social security costs	35,715	57,003
Other pension costs	19,405	26,021
	<u>369,254</u>	<u>341,245</u>

### 21 Ultimate parent company

The company is a subsidiary undertaking of Haemonetics Corporation, incorporated in USA.

The largest and smallest group in which the results of Haemonetics Limited are consolidated is headed by Haemonetics Corporation. The consolidated financial statements are available to the public and may be obtained from Haemonetics Corporation, 400 Wood Road, Braintree, Massachusetts, USA.

# **HAEMONETICS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE PERIOD ENDED 29 MARCH 2008***

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### **22 Related party transactions**

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.