

**Company Registration No. 01231087 (England and Wales)**

**HAEMONETICS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2014**

# HAEMONETICS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr C J Lindop Mr D S Weibel (Appointed 4 December 2013)
<b>Company number</b>	01231087
<b>Registered office</b>	Lynwood House 373-375 Station Road Harrow Middlesex HA1 2AW
<b>Auditors</b>	RDP Newmans LLP Lynwood House 373-375 Station Road Harrow Middlesex HA1 2AW
<b>Business address</b>	Business Innovation Centre Harry Weston Road Coventry West Midlands CV3 2TX

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# HAEMONETICS LIMITED

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# HAEMONETICS LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2014

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The directors present their report and financial statements for the year ended 31 March 2014.

#### Review of the business

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

In 2013 the company acquired the trade of Pall Europe Limited, a company whose principal activity was that of developing and distributing blood collection, filtration and processing applications. The directors are of the opinion that this investment is a good fit for the company and should result in increased profitability for the group. However, during the year the company lost a part of the recurring business in respect of the trade of Pall Europe Limited. As a result, the goodwill on acquisition of the trade has been impaired by £744,482.

The company saw a significant decrease in turnover due to the loss of trade from Pall Europe Limited as mentioned above. However the gross profit margin has increased to 35.79%, due to various cost cutting drives and the lower margins on the Pall Europe Limited related turnover. Due to the impairment of goodwill, the company has made a net loss during the year. The balance sheet position has decreased from £2.51m to £1.88m.

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 Key Performance Indicators of Haemonetics Limited over the last two years are detailed below:

GBP £'000 2014 2013

Turnover 8,573 12,371

Gross profit % 34.16 27.13

Net (loss)/ profit % (7.70) 1.36

On behalf of the board

Mr C J Lindop

**Director**

10 November 2014

# HAEMONETICS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2014

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The directors present their report and financial statements for the year ended 31 March 2014.

#### 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.

#### Results and dividends

The results for the year are set out on page 6.

#### Directors

The following directors have held office since 1 April 2013:

Mr C J Lindop

Mr C Tomosivitch

Mr D S Weibel

(Resigned 4 December 2013)

(Appointed 4 December 2013)

#### 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 8 (2013- 6) days' purchases.

#### Auditors

The auditors, RDP Newmans LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare 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;
- 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.

## **HAEMONETICS LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2014**

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##### **Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

Mr C J Lindop

**Director**

10 November 2014

# **HAEMONETICS LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF HAEMONETICS LIMITED**

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We have audited the financial statements of Haemonetics Limited for the year ended 31 March 2014 set out on pages 6 to 17. 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 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 directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and Directors' 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.

#### **Opinion on financial statements**

In our opinion:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 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 matter 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.

## **HAEMONETICS LIMITED**

### **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

#### **TO THE MEMBERS OF HAEMONETICS LIMITED**

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##### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Mr Lyndon Perez FCA (Senior Statutory Auditor)**  
**for and on behalf of RDP Newmans LLP**

20 November 2014

**Chartered Accountants**  
**Statutory Auditor**

Lynwood House  
373-375 Station Road  
Harrow  
Middlesex  
HA1 2AW



# HAEMONETICS LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2014

		2014	2013
	Notes	£	£
Turnover	2	8,537,391	12,370,608
Cost of sales		<u>(5,620,644)</u>	<u>(9,013,924)</u>
Gross profit		2,916,747	3,356,684
Administrative expenses		(2,902,163)	(2,794,095)
Other operating income		<u>120,000</u>	<u>120,000</u>
Operating profit	3	134,584	682,589
Other interest receivable and similar income	4	101	-
Goodwill impairment	5	(744,482)	(481,774)
Interest payable and similar charges	6	<u>(47,904)</u>	<u>(31,999)</u>
(Loss)/profit on ordinary activities before taxation		(657,701)	168,816
Tax on (loss)/profit on ordinary activities	7	23,156	(77,018)
(Loss)/profit for the year	17	<u><u>(634,545)</u></u>	<u><u>91,798</u></u>

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 31 MARCH 2014

	Notes	2014 £	£	2013 £	£
<b>Fixed assets</b>					
Intangible assets	8	1,080,471		2,032,689	
Tangible assets	9	<u>1,626,383</u>		<u>1,515,742</u>	
		2,706,854		3,548,431	
<b>Current assets</b>					
Stocks	10	305,218		153,109	
Debtors: amounts falling due within one year	11	1,733,251		2,959,845	
Cash at bank and in hand		<u>938,182</u>		<u>1,554,075</u>	
		2,976,651		4,667,029	
<b>Creditors: amounts falling due within one year</b>	12	<u>(1,787,275)</u>		<u>(3,700,680)</u>	
<b>Net current assets</b>		<u>1,189,376</u>		<u>966,349</u>	
<b>Total assets less current liabilities</b>		3,896,230		4,514,780	
<b>Creditors: amounts falling due after more than one year</b>	13	(1,963,285)		(1,995,284)	
<b>Provisions for liabilities</b>	14				
Deferred tax liability		<u>(56,076)</u>		<u>(8,082)</u>	
		<u>1,876,869</u>		<u>2,511,414</u>	
<b>Capital and reserves</b>					
Called up share capital	16	50,000		50,000	
Profit and loss account	17	<u>1,826,869</u>		<u>2,461,414</u>	
<b>Shareholders' funds</b>	18	<u>1,876,869</u>		<u>2,511,414</u>	

Approved by the Board and authorised for issue on 10 November 2014

Mr C J Lindop  
Director

Company Registration No. 01231087

# HAEMONETICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2014

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#### 1 Accounting policies

##### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

##### 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 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 9-11 years. It is reviewed for impairment at the end of the first financial year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

##### 1.5 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:

Land and buildings Freehold	Straight line over 15 to 30 years
Land and buildings Leasehold	Straight line over 4/5 years
Plant & machinery	Straight line over 3 to 5 years
Computer equipment	Straight line over 5 years
Fixtures, fittings & equipment	Straight line over 5 to 10 years

##### 1.6 Leasing

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

##### 1.7 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.

##### 1.8 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 fixed assets 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 YEAR ENDED 31 MARCH 2014

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#### 1 Accounting policies (continued)

##### 1.9 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 year 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.

##### 1.10 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

##### 1.11 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 the profit and loss account.

##### 1.12 Cash Flow Statement

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.

#### 2 Turnover

##### Geographical market

	2014 £	2013 £
United Kingdom	8,438,916	12,323,750
Rest of Europe	98,475	46,858
	<hr/>	<hr/>
	8,537,391	12,370,608
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# HAEMONETICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2014

<b>3</b>	<b>Operating profit</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging:		
	Amortisation of intangible assets	207,736	253,020
	Depreciation of tangible assets	274,420	233,774
	Loss on disposal of tangible assets	-	1,891
	Loss on disposal of intangible assets	24,547	-
	Loss on foreign exchange transactions	-	2,436
	Operating lease rentals		
	- Plant and machinery	172,675	218,465
	Fees payable to the company's auditor:		
	-Audit of the company's annual accounts	12,000	13,500
	-Tax related services	10,728	4,100
	-Accountancy services	16,000	15,500
	-Other services	-	5,274
	and after crediting:		
	Profit on disposal of tangible assets	(2,442)	-
	Profit on foreign exchange transactions	(2,214)	-
<b>4</b>	<b>Investment income</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Other interest	101	-
<b>5</b>	<b>Goodwill impairment</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Amounts written off goodwill		
	- permanent diminution in value	744,482	481,774
<b>6</b>	<b>Interest payable</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Other interest	47,904	31,999

# HAEMONETICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2014

7	Taxation	2014 £	2013 £
	U.K. corporation tax	(71,161)	71,161
	<b>Total current tax</b>	(71,161)	71,161
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	48,005	5,857
	<b>Factors affecting the tax charge for the year</b>		
	(Loss)/profit on ordinary activities before taxation	(657,701)	168,816
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.00% (2013 - 24.00%)	(157,848)	40,516
	Effects of:		
	Non deductible expenses	7,434	6,370
	Depreciation add back	98,029	88,273
	Capital allowances	(103,648)	(64,452)
	Losses carried forward	84,872	454
		86,687	30,645
	<b>Current tax charge for the year</b>	(71,161)	71,161

# HAEMONETICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2014

#### 8 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 April 2013 & at 31 March 2014	3,169,582
<b>Amortisation</b>	
At 1 April 2013	1,136,893
Charge for the year	207,736
Impairment	744,482
At 31 March 2014	2,089,111
<b>Net book value</b>	
At 31 March 2014	1,080,471
At 31 March 2013	2,032,689

During the year the company lost a part of the recurring business in respect of the trade of Pall Europe Limited. As a result, an additional impairment of the goodwill on acquisition has been recognized amounting to £744,482.

#### 9 Tangible fixed assets

	Land and buildings Freehold £	Land and buildings Leasehold £	Plant & machinery £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>					
At 1 April 2013	1,859,677	48,645	2,073,624	57,747	4,039,693
Additions	-	11,766	451,777	-	463,543
Disposals	-	(48,645)	(234,005)	-	(282,650)
At 31 March 2014	1,859,677	11,766	2,291,396	57,747	4,220,586
<b>Depreciation</b>					
At 1 April 2013	1,337,413	24,098	1,118,456	43,984	2,523,951
On disposals	-	(24,098)	(180,070)	-	(204,168)
Charge for the year	46,860	1,471	220,242	5,847	274,420
At 31 March 2014	1,384,273	1,471	1,158,628	49,831	2,594,203
<b>Net book value</b>					
At 31 March 2014	475,404	10,295	1,132,768	7,916	1,626,383
At 31 March 2013	522,264	24,547	955,168	13,763	1,515,742

## HAEMONETICS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2014

<b>10</b>	<b>Stocks</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Goods for resale	305,218	153,109
<b>11</b>	<b>Debtors</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Trade debtors	1,298,217	2,659,400
	Amounts owed by group undertakings	244,696	156,706
	Corporation tax	75,227	-
	Other debtors	2,396	2,396
	Prepayments and accrued income	112,715	141,343
		1,733,251	2,959,845
<b>12</b>	<b>Creditors: amounts falling due within one year</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Trade creditors	129,614	149,466
	Amounts owed to parent and fellow subsidiary undertakings	430,061	1,753,715
	Corporation tax	-	(3,976)
	Other taxes and social security costs	248,317	322,748
	Accruals and deferred income	979,283	1,478,727
		1,787,275	3,700,680



# HAEMONETICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2014

13 Creditors: amounts falling due after more than one year	2014 £	2013 £
Other loans	1,963,285	1,995,284
<b>Analysis of loans</b>		
Wholly repayable within five years	1,963,285	1,995,284
	1,963,285	1,995,284
<b>Loan maturity analysis</b>		
In more than two years but not more than five years	1,963,285	1,995,284

#### 14 Provisions for liabilities

	Deferred tax liability £
Balance at 1 April 2013	8,082
Profit and loss account	47,994
Balance at 31 March 2014	56,076

#### The deferred tax liability is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	56,076	10,191
Other timing differences	-	(2,109)
	56,076	8,082

# HAEMONETICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2014

#### 15 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 end there was an unpaid amount of £9,997 (2013: £11,754).

	2014 £	2013 £
Contributions payable by the company for the year	75,904	92,255

#### 16 Share capital

	2014 £	2013 £
<b>Allotted, called up and fully paid</b>		
50,000 Ordinary shares of £1 each	50,000	50,000

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

	Profit and loss account £
Balance at 1 April 2013	2,461,414
Loss for the year	(634,545)
Balance at 31 March 2014	1,826,869

#### 18 Reconciliation of movements in shareholders' funds

	2014 £	2013 £
(Loss)/Profit for the financial year	(634,545)	91,798
Opening shareholders' funds	2,511,414	2,419,616
Closing shareholders' funds	1,876,869	2,511,414

# HAEMONETICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2014

#### 19 Financial commitments

At 31 March 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2015:

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Operating leases which expire:				
Within one year	19,024	-	33,030	41,223
Between two and five years	30,312	46,529	101,187	227,459
	49,336	46,529	134,217	268,682

#### 20 Employees

##### Number of employees

The average monthly number of employees (including directors) during the year was:

	2014	2013
	Number	Number
Selling and distribution	34	34
Administration	1	1
	35	35

##### Employment costs

	2014	2013
	£	£
Wages and salaries	1,025,427	997,092
Social security costs	232,197	224,462
Other pension costs	75,904	92,255
	1,333,528	1,313,809

#### 21 Ultimate parent company

The company is a subsidiary undertaking of Haemonetics Corporation incorporated in USA. The shares of Haemonetics Corporation are publicly traded on the New York Stock Exchange.

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 YEAR ENDED 31 MARCH 2014**

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##### **22 Related party transactions**

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.