

Registered number: 2296559

B. Braun Medical Limited

**Annual report and financial statements
for the year ended 31 December 2018**



B. Braun Medical Limited

Contents

Directors and advisers	1
Strategic report	2
Directors' report	4
Statement of directors' responsibilities in respect of the financial statements.....	6
Independent auditors report to the members of B. Braun Medical Limited.....	7
Income statement	10
Statement of comprehensive income	11
Balance sheet	12
Statement of changes in equity	13
Notes to the financial statements.....	14

B. Braun Medical Limited

Directors and advisers

Directors

H Hux (Chief Executive Officer)

P Steel

D Oates

P Skelton

A Cash

Registered office

Brookdale Road

Thornccliffe Park Estate

Chapelton

Sheffield

S35 2PW

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Central Square

29 Wellington Street

Leeds

LS1 4DL

Bankers

HSBC Bank plc

17 Church Street

Sheffield

S1 1HH

B. Braun Medical Limited

Strategic report for the year ended 31 December 2018

The directors present their strategic report on the company for the year ended 31 December 2018.

Principal activities

The company's principal activity during the year was the distribution of healthcare products and equipment, and the provision of services to the healthcare sector.

Review of the business and future developments

2018 again saw continued underlying growth from the core business and a significant improvement in operating profitability.

Taking into consideration the comments made in this review, both the level of business and the year end financial position were good. The directors expect that the strength in the core business will lead to continued growth in the 2019 year and for the foreseeable future.

The company supplies goods and services to the healthcare sector and the directors consider that demand is unlikely to decline significantly in the long term despite the current pressures placed upon public sector expenditure.

In recent years the company has established a TransCare Homecare service to provide quality individual patient care at home. At the end of 2017, the company began a significant expansion of its Aseptic manufacturing facility to meet increasing demand from its TransCare business and in 2018 the business acquired a new storage facility in the immediate vicinity of its Head Office site in Sheffield to increase its capacity further. Having invested in staff and systems over recent years, the company's overriding objective is now to grow profitable revenue commensurate with its long term goals.

Principal risks and uncertainties

The major customer is the NHS and the directors consider that the effects of NHS initiatives on market pricing will continue to offer challenges. Furthermore, the directors have given due consideration to the levels of funding available to the NHS in the medium term. Future pension shortfalls also represent an area of uncertainty for the business. Increased costs arising from Brexit such as currency devaluation and increased administration on imports have introduced new challenges. The directors continue to ensure that these factors are taken into account when planning in order to manage and mitigate the risks as efficiently as possible.

In relation to the uncertainties surrounding the withdrawal of the United Kingdom from the European Union (originally due to occur on 29 March 2019) the company has assessed its primary risk to be the availability of products to supply into the United Kingdom healthcare market. In response, the company in consultation with the wider B. Braun group has taken a number of steps to mitigate this risk as far as possible. These steps include securing additional warehouse capacity, the building of contingency stock levels in co-operation with the Department of Health, and revisions to the current approach to customs administration.


B. Braun Medical Limited

Strategic report for the year ended 31 December 2018 (continued)

Key performance indicators

The company uses key performance indicators to monitor current performance compared to agreed targets. The following observations have been made for the year ended 31 December 2018 compared to the year ended 31 December 2017. Gross profit as a percentage of sales revenue increased by 0.7% compared to the previous year (2017: fell by 3.3%). Sales revenue per head decreased by £15,300 (2017: increased by £1,000). Supply chain costs as a percentage of sales remained static at 4% (2017: remained static). Generally this is in line with the directors' current expectation. The company achieved the Investors In People Gold award during 2012, and was awarded Investors in People Champion status in 2013. In 2018, the organisation was awarded the Investors In People Gold award following its re-accreditation under the new standard.

On behalf of the Board



D Oates
Director
28 March 2019

B. Braun Medical Limited

Directors' report for the year ended 31 December 2018

The directors present their report and the audited financial statements of the company for the year ended 31 December 2018.

Future developments

During 2019 the company intends to continue to diversify and expand its product and service offering whilst maintaining its existing focus on efficiency gains and profitability improvement. The company will also continue to develop new and innovative ways of working using the foundations of innovation, efficiency and sustainability.

Results and dividends

The income statement for the year is set out on page 10. The directors have approved and paid a final dividend of £6,000,000 in February 2019 (2017: £1,000,000 paid in February 2018). Consequently the £6,000,000 dividend will be recorded in the 2019 financial statements.

Charitable donations

The charitable contributions made by the company during the year amounted to £8,425 (2017: £1,690). There were no political contributions (2017: £nil). The purpose of all charitable donations made during the year was the improvement of welfare in the wider community.

Financial risk management

The company's operations expose it to a variety of financial risks including:

Price risk

The company is exposed to NHS initiatives on market pricing as a result of its operations. The level of exposure to this risk is monitored by the directors on an ongoing basis.

Credit risk

The company has implemented policies that require appropriate approval for potential customers before sales are made. Credit limits are set accordingly and are reviewed on an ongoing basis. Due to the nature of the company's customer base, the exposure to credit risk is considered to be low.

Liquidity risk

The continued availability of group funding ensures that the company has sufficient funds for operations and planned expansion.

Interest rate cash flow risk

Due to group financing arrangements in place, the directors do not consider that the company is significantly exposed to risk from fluctuations in interest rates.

B. Braun Medical Limited

Directors' report for the year ended 31 December 2018 (continued)

Directors

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

H Hux	(Chief Executive Officer)
A Cash	(appointed 1 October 2018)
D Oates	
P Skelton	
P Steel	

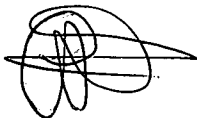
In accordance with the Articles of Association, none of the directors are required to retire by rotation.

Employees

The company is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels with the aim of ensuring that views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the company as a whole. Communication with all employees continues through internal newsletters, briefing groups and electronic communications with the intention of providing employees with information on matters of concern to them as employees, and raising awareness of the financial and the economic factors that affect the company's performance.

On behalf of the Board



D Oates
Director
28 March 2019

B. Braun Medical Limited

Statement of directors' responsibilities in respect of the financial statements

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

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, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

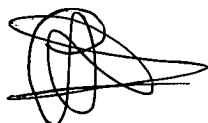
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board



D Oates
Director
28 March 2019

B. Braun Medical Limited

Independent auditors' report to the members of B. Braun Medical Limited

Report on the audit of the financial statements

Opinion

In our opinion, B. Braun Medical Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2018; the Income statement, the Statement of comprehensive income, the Statement of changes in equity; and the Notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

B. Braun Medical Limited

Independent auditors' report to the members of B. Braun Medical Limited (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

B. Braun Medical Limited

Independent auditors' report to the members of B. Braun Medical Limited (continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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

We have no exceptions to report arising from this responsibility.



Andy Ward (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
28 March 2019

B. Braun Medical Limited

Income statement for the year ended 31 December 2018

	Note	2018 £'000	2017 £'000
Revenue	3	149,882	140,183
Cost of sales		(100,881)	(95,375)
Gross profit		49,001	44,808
Net operating expenses	4	(41,244)	(39,766)
Operating profit	7	7,757	5,042
Interest receivable and similar income	8	398	411
Interest payable and similar expenses	9	(170)	(229)
Profit before taxation		7,985	5,224
Tax on profit	10	(1,474)	(1,122)
Profit for the financial year		6,511	4,102

All items dealt with in arriving at operating profit above relate to continuing operations.

The accompanying notes to the financial statements, as detailed on pages 14 to 39, form an integral part of these financial statements.

B. Braun Medical Limited

Statement of comprehensive income for the year ended 31 December 2018

	2018	2017
	£'000	£'000
Profit for the financial year	6,511	4,102
Actuarial gain on pension scheme	417	1,455
Movement on deferred tax relating to pension scheme	(71)	(247)
Total comprehensive income for the year	6,857	5,310

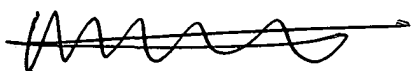
B. Braun Medical Limited

Balance sheet as at 31 December 2018

Registered number: 2296559

	Note	2018 £'000	2017 £'000
Fixed assets			
Intangible assets	11	75	116
Tangible assets	12	19,462	14,799
Investments	13	2,952	2,952
		22,489	17,867
Current assets			
Inventories	14	10,601	9,735
Debtors: amounts falling due within one year	15	28,609	29,450
Debtors: amounts falling due after more than one year	15	23,539	25,895
Cash at bank and in hand		310	225
		63,059	65,305
Creditors: amounts falling due within one year	16	(35,275)	(37,879)
Net current assets		27,784	27,426
Total assets less current liabilities		50,273	45,293
Creditors: amounts falling due after more than one year	17	(1,991)	(2,051)
Provision for liabilities	18	(404)	(345)
Net assets excluding pension liability		47,878	42,897
Pension liability	24	(2,584)	(3,460)
Net assets including pension liability		45,294	39,437
Capital and reserves			
Called up share capital	20	10,000	10,000
Retained earnings		35,294	29,437
Total shareholders' funds		45,294	39,437

The financial statements on pages 10 to 39 were approved by the Board of directors on 28 March 2019 and were signed on it's behalf by:



P Skelton
Director

B. Braun Medical Limited

Statement of changes in equity for the year ended 31 December 2018

	Called up share capital £'000	Retained earnings £'000	Shareholders' funds £'000
At 1 January 2017	10,000	28,127	38,127
Profit for the financial year	-	4,102	4,102
Other comprehensive income	-	1,208	1,208
Dividend	-	(4,000)	(4,000)
At 31 December 2017	10,000	29,437	39,437
At 1 January 2018	10,000	29,437	39,437
Profit for the financial year	-	6,511	6,511
Other comprehensive income	-	346	346
Dividend	-	(1,000)	(1,000)
At 31 December 2018	10,000	35,294	45,294

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2018

1 General information

The company's principal activity is the distribution of healthcare products and equipment, and the provision of services to the healthcare sector.

The company is a private limited company, limited by shares, domiciled and incorporated in the United Kingdom. The address of its registered office is Brookdale Road, Thorncliffe Park Estate, Chapeltown, Sheffield S35 2PW.

2 Significant accounting policies

Basis of preparation

These financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with United Kingdom Accounting Standards, in particular Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006 as applicable to companies using FRS 101. These accounting policies have been consistently applied to all years presented, unless otherwise stated.

FRS 101 sets out a reduced disclosure framework for a qualifying entity that would otherwise apply the recognition, measurement and disclosure requirement of EU-adopted IFRS. The company is a qualifying entity for the purposes of FRS 101. Note 25 provides details of the company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

A summary of the disclosure exemptions adopted for the year ended 31 December 2018 is presented below.

- IFRS 7, "Financial Instruments; Disclosures"
- Paragraph 38 of IAS 1, "Presentation of financial statements" comparative information requirements in respect of:
 - paragraph 73 (e) of IAS 16 Property, plant and equipment
 - paragraph 118 (e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)
- The following paragraphs of IAS 1, "Presentation of financial statements":
 - 10 (d) (statement of cash flows)
 - 16 (statement of compliance with all IFRS)
 - 38 A (requirement for minimum of two primary statements, including cash flow statements)
 - 38 B-D (additional comparative information)
 - 40 A-D (requirements for a third statement of financial position)
 - 111 (cash flow statement information), and
 - 134 – 136 (capital management disclosures)
- IAS 7, "statement of cash flow"
- Paragraph 17 of IAS 24 "Related party disclosures" (key management compensation)

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

2 Significant accounting policies (continued)

Basis of preparation (continued)

- The requirements of IAS 24, "Related party disclosures" to disclose related party transactions entered into between two or more members of a group.
- IFRS 8, "Operating segments"

The company's shareholders have been notified and have not objected to the use of exemptions.

No new accounting standards, in particular IFRS 15 "Revenue from contracts with customers" and IFRS 9 "Financial instruments" or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2018, have had a material impact on the company.

IFRS 16 "Leases" will be applicable for B. Braun Medical Limited from 1 January 2019. The modified retrospective approach will be adopted on transition. Right-to-use assets will be measured on transition by reference to the remaining lease liability. Whilst the company expects earnings before interest, depreciation and amortisation to improve as a result of this adoption, the impact on the income statement in 2019 is not expected to be material. Discount rates will be set on a country-specific basis by the ultimate parent company.

On transition, additional fixed assets (with a corresponding lease liability) will be recognised with an approximate value of £2,989,000. The company intends to apply the exemption under the standard for low-value assets, which typically relates to IT equipment. These leases will not be recognised on the balance sheet.

Revenue

Revenue represents the fair value of goods supplied and services provided, stated net of discounts, agreed rebate payments and value added tax. Specific criteria are set out below for the company's principal activities.

Supply of goods

Under normal circumstances, revenue is recognised upon despatch of healthcare products and equipment. Where consignment stock arrangements are in place, revenue is recognised upon notification by the customer that the product has been withdrawn from consignment or, where relevant, on expiry of a fixed contractual term.

Service provision

The Company also provides a wide and varied range of services to the healthcare sector, which are often distinct to the distribution of healthcare products. These are treated as separate transactions for the purposes of revenue recognition. In all cases, revenue is recognised when services are rendered, and in the case of ongoing service, by reference to the stage of completion in accordance with the contractual agreement.

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

2 Significant accounting policies (continued)

Revenue (continued)

Leasing

The Company provides equipment to customers under a variety of leasing arrangements. In the vast majority of cases, these are classified as operating leases within the criteria of IAS 17, and revenue is recognised on a straight-line basis over the lease term. Where the risk and rewards of ownership are deemed to have transferred to the customer, finance lease accounting is adopted.

Foreign currencies

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date or at the agreed contractual rate. Transactions in foreign currency are translated at the prevailing rate at the date of the transaction. All differences on exchange are taken to the income statement.

Intangible assets

Intangible assets acquired separately from a business are capitalised at cost. Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition. Intangible assets are amortised on a straight line basis over their estimated useful lives. The carrying value of intangible assets is reviewed for impairment each financial year.

The amortisation rates used for this purpose are:

Customer contracts and software	20% - 25%
---------------------------------	-----------

Tangible assets

Tangible assets are stated at historic purchase cost less accumulated depreciation. The cost of tangible assets is their purchase cost, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of tangible assets, less their estimated residual value, on a straight-line basis over their estimated economic lives. The depreciation rates used for this purpose are:

Freehold buildings	2-4%
Long leasehold	life of lease
Technical equipment and machinery	7%
Computer equipment	20-25%
Office equipment	7%
Demonstration and consignment assets	25%
Assets in the course of construction	Nil

Freehold land is not depreciated.

Assets in the course of construction are transferred to the relevant assets categories on completion and depreciation commences at this time.

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

2 Significant accounting policies (continued)

Investments

Investments in subsidiaries are stated in the balance sheet at cost less any provision for impairment.

Impairment reviews

Impairment reviews are performed by the directors when there has been an indication of potential impairment. Impairment reviews are based on discounted cash flow forecasts for the tangible assets and investments. The cash flow forecasts assume a growth rate consistent with long term expectations for the business.

Leases

The company leases certain property, plant and equipment. Leases in which substantially all of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income.

The method for allocating earnings to accounting periods is referred to as the 'actuarial method'. The actuarial method allocates rentals between finance income and repayment of capital in each accounting period in such a way that finance income will emerge as a constant rate of return on the lessor's net investment in the lease.

IFRS 16: Leases, will be applicable for B. Braun Medical Limited from 1 January 2019. The modified retrospective approach will be adopted on transition. Right-to-use assets will be measured on transition by reference to the remaining lease liability. Whilst we expect EBITDA to improve as a result of this adoption, the impact on the income statement is not expected to be material. Discount rates will be set on a country-specific basis by the ultimate parent company. On transition, additional fixed assets (with a corresponding lease liability) will be recognised with an approximate value of £2,989,000. The company intends to apply the exemption under the standard for low-value assets, which typically relates to IT equipment. These leases will not be recognised on the balance sheet.

Equipment leased to customers

Equipment leased to customers under finance leases is deemed to be sold at market price which is recognised as revenue at the inception of the lease. Debtors under finance leases represent outstanding amounts due under these agreements less finance charges allocated to future periods. Finance lease interest is recognised over the primary period of the lease.

Inventory and work in progress

Inventory and work in progress are stated at the lower of cost and net realisable value. In general, cost is determined on a first in, first out basis and includes transport and handling costs. In the case of manufactured products, cost includes all direct expenditure and an appropriate proportion of production overheads based on the normal level of activity. Where necessary, provision is made for obsolete, slow-moving and defective stocks.

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

2 Significant accounting policies (continued)

Financial assets

Loans and receivables

Loans and receivables are non-derivative financial assets with determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the end of the reporting period which are classified as non-current assets. The company's loans and receivables comprise receivables and cash in the balance sheet.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost.

Pensions

The company operates two pension schemes, one of which is closed to new members. The closed scheme is a defined benefit pension scheme, the assets of which are held separately from those of the company in independently administered funds. The scheme was funded by contributions partly from the employees and partly from the company at rates determined by independent actuaries. This scheme is now closed to new members and to future accrual.

Pension scheme assets are measured using market value, where this market value is bid price for quoted securities. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The increase in the present value of the liabilities of the company's defined benefit pension schemes expected to arise from employee service in the period is charged to operating profit. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in other finance costs. Actuarial gains and losses are recognised in the statement of comprehensive income.

Pension scheme surpluses, to the extent that they are considered recoverable, or deficits are recognised in full and presented on the face of the balance sheet net of related deferred tax.

The other scheme is a defined contribution scheme, which is funded by contributions partly from employees and partly from the company which is administered by Aviva. This scheme ensured that a contribution structure suitable for the company's obligations under the auto-enrolment legislation was available for the staging date of 1 January 2014.

Costs of the defined contribution scheme represents the amounts payable in the year.

Further details are set out in note 24.

The company provides no other post retirement benefits to its employees.

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

2 Significant accounting policies (continued)

Deferred taxation

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at average rates expected to apply when they crystallise based on current tax rates and law. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event and it is probable that a transfer of economic benefits will be required to settle the obligation, and where a reliable estimate can be made of the amount of the obligation.

Related party transactions

In accordance with the exemption allowed by IFRS 12 "Disclosures of interests in other entities", transactions with entities that are part of the B. Braun Melsungen AG group are not disclosed.

Exemption from the obligation to prepare group financial statements and a cash flow statement.

The company is a wholly-owned subsidiary of B. Braun Melsungen AG and the results and cash flows of the company are included in the consolidated financial statements of that company. Accordingly, the company has chosen to take the exemption under the Companies Act 2006 Section 401 from preparing group financial statements and the exemption under FRS 101 paragraph 8 (g) from the obligation to prepare a cash flow statement.

Critical accounting estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying value of assets and liabilities which are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and any revisions to them are recognised in the period in which they are revised.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

(a) Useful economic lives of property, plant and equipment

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, economic utilisation and the physical condition of the assets. See note 12 for the carrying values of plant, property and equipment.

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

2 Significant accounting policies (continued)

Critical accounting estimates and assumptions (continued)

(b) Inventory provisioning

The company sells healthcare products and is subject to changing customer demands. As a result it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials. See note 14 for the net carrying amount of the inventory.

(c) Defined benefit pension scheme

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 24 for the disclosures relating to the defined benefit pension scheme.

(d) Impairment of investments in subsidiaries

Determining whether the company's investments in subsidiaries have been impaired requires estimations of the investments' values in use. The value in use calculations require the entity to estimate the future cash flows expected to arise from the investments, and also suitable discount rates in order to calculate present values.

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

3 Revenue

The company's revenue and operating profit relate to its principal activity.

The company has chosen to take the exemption under IFRS 8 "Operating segments" from presenting a segmental analysis of revenue.

4 Net operating expenses

	2018 £'000	2017 £'000
Sales and distribution costs	37,321	35,962
Administrative expenses	3,923	3,804
Net operating expenses	41,244	39,766

5 Employee information

	2018 £'000	2017 £'000
Wages and salaries	25,504	24,156
Social security costs	3,073	2,977
Other pension costs (note 24)	2,275	2,045
	30,852	29,178

The average monthly number of persons (including executive directors) employed by the company during the year was:

By activity	2018 Number	2017 Number
Production	115	97
Sales and administration	483	460
	598	557

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

6 Directors' emoluments

	2018	2017
	£'000	£'000
Aggregate emoluments (excluding pensions)	971	1,312

Emoluments payable to the highest paid director are as follows:	2018	2017
	£'000	£'000
Aggregate emoluments and benefits	356	426
Money purchase pension scheme:		
- Company contributions paid	4	17

Retirement benefits are accruing to one (2017: one) director under a defined benefit scheme and to three under a money purchase scheme (2017: four). Company contributions in respect of directors that are members of the money purchase scheme totalled £53,000 for the year (2017: £76,000).

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

7 Operating profit

	2018 £'000	2017 £'000
Operating profit is stated after charging/(crediting):		
Profit from the sale of fixed assets	(756)	-
Amortisation/depreciation charge for the year		
- intangible assets	41	28
- tangible assets	1,871	1,730
Auditors' remuneration for:		
- audit	78	75
- taxation services	32	33
- other	15	-
Impairment of inventories	262	233
Inventories recognised as an expense	90,675	86,922
Foreign exchange losses/(gains)	7	(33)
Operating lease expense	2,792	2,344
Operating lease income	(495)	(129)

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

8 Interest receivable and similar income

	2018 £'000	2017 £'000
Interest receivable on finance leases	46	32
Group interest receivable	352	379
	398	411

9 Interest payable and similar expenses

	2018 £'000	2017 £'000
Group interest payable	71	73
Other finance cost (note 24)	81	134
Interest expense on finance leases	18	22
	170	229

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

10 Tax on profit

	2018 £'000	2017 £'000
Current tax:		
UK corporation tax on profits of the year	1,417	1,030
Adjustments in respect of prior years	(68)	(55)
Total current tax	1,349	975
Deferred tax:		
Origination and reversal of timing differences	102	43
Adjustments in respect of prior years	34	109
Changes in tax rates	(11)	(5)
Total deferred tax (note 19)	125	147
Total tax on profit	1,474	1,122

The tax assessed for the year is lower than (2017: higher than) the standard rate of corporation tax in the UK of 19.0% (2017: 19.25%). The differences are explained below:

	2018 £'000	2017 £'000
Profit before taxation	7,985	5,224
Profit multiplied by the standard rate of corporation tax in the UK of 19.0% (2017: 19.25%)	1,517	1,006
Effects of:		
Expenses not deductible for tax purposes	145	67
Profit on disposal of fixed assets	(143)	-
Changes in tax rates	(11)	(5)
Adjustments in respect of prior years	(34)	54
Total tax charge for the year	1,474	1,122

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

10 Tax on profit (continued)

Factors affecting current and future tax changes

As a result of a change in the UK corporation tax rate to 19% which was effective from 1 April 2017, the current tax rate decreased to 19% for the year ended 31 December 2018. A further reduction to the main rate to 17% from 1 April 2020 was also substantively enacted prior to the balance sheet date. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

11 Intangible assets

	Customer contracts £'000	Software £'000	Total £'000
Cost			
At 1 January 2018	321	1,754	2,075
Disposals	-	(161)	(161)
At 31 December 2018	321	1,593	1,914
Accumulated amortisation			
At 1 January 2018	297	1,662	1,959
Charge for the year	15	26	41
Disposals	-	(161)	(161)
At 31 December 2018	312	1,527	1,839
Net book amount			
At 31 December 2018	9	66	75
At 31 December 2017	24	92	116

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

12 Tangible assets

	Land and buildings		Assets in the course of construction	Technical equipment and machinery	Demonstration and consignment assets	Computer and office equipment	Total
	Freehold	Long leasehold					
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 January 2018	13,480	485	511	2,421	8,780	3,407	29,084
Additions	164	-	5,283	30	970	147	6,594
Transfers	40	-	(45)	5	-	-	-
Disposals	(240)	-	(28)	(239)	(896)	(217)	(1,620)
At 31 December 2018	13,444	485	5,721	2,217	8,854	3,337	34,058
Accumulated depreciation							
At 1 January 2018	4,061	329	-	1,083	6,523	2,289	14,285
Charge for the year	469	16	-	122	1,066	198	1,871
Disposals	(240)	-	-	(239)	(865)	(216)	(1,560)
At 31 December 2018	4,290	345	-	966	6,724	2,271	14,596
Net book amount							
At 31 December 2018	9,154	140	5,721	1,251	2,130	1,066	19,462
At 31 December 2017	9,419	156	511	1,338	2,257	1,118	14,799

At 31 December 2018 the company had capital commitments of £250,000 (2017: £4.5 million).

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

13 Investments

	£'000
Cost at 1 January 2018	4,952
Accumulated impairment at 1 January and 31 December 2018	(2,000)
Net book amount at 31 December 2018	2,952

Interest in group undertakings

The company had the following subsidiary undertakings at 31 December 2018:

Name of undertaking	Description of shares held	Proportion of nominal value of issued shares held		Aggregate capital & reserves £'000	(Loss)/profit for the year £'000
		Direct	Indirect		
B. Braun Sterilog Limited	Ordinary	100%	-	(13,272)	(849)
Downs Surgical Limited	Ordinary	100%	-	1,400	-
Aesculap Academia Company Limited	Ordinary	100%	-	-	-
B. Braun Healthcare Limited	Ordinary	73.5%	-	422	-
B. Braun Sterilog (Yorkshire) Limited	Ordinary	-	100%	(2,331)	578
B. Braun Sterilog (Birmingham) Limited	Ordinary	-	100%	(2,223)	814

The directors believe that the carrying value of the investments is supported by the underlying net assets of the investments.

All companies are registered and incorporated in England and Wales and have a year end of 31 December. Their registered office address is Brookdale Road, Thorncliffe Park, Sheffield S35 2PW.

B. Braun Sterilog Limited is a holding company for the investments in B. Braun Sterilog (Yorkshire) Limited and B. Braun Sterilog (Birmingham) Limited. Both B. Braun Sterilog (Yorkshire) Limited and B. Braun Sterilog (Birmingham) Limited operate decontamination centres as outsourced facilities for the NHS and other third party companies.

Downs Surgical Limited, Aesculap Academia Company Limited and B. Braun Healthcare Limited are non-trading companies.

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

14 Inventories

	2018	2017
	£'000	£'000
Raw materials and consumables	145	135
Work in progress	90	157
Finished goods and goods for resale	10,366	9,443
	10,601	9,735

15 Debtors

	2018	2017
	£'000	£'000
Amounts falling due within one year		
Trade debtors	24,645	25,642
Amounts owed from group undertakings	523	822
Prepayments and accrued income	1,169	953
Finance lease receivable	281	240
Other debtors	1,991	1,793
	28,609	29,450

Other debtors includes a convertible loan receivable of £1,500,000 (2017: £1,500,000) issued by 270 Vision Limited. The loan conversion may be exercised from 1 July 2019.

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

15 Debtors (continued)

	2018 £'000	2017 £'000
Amounts falling due after more than one year		
Finance lease receivable	596	515
Loans receivable from group undertakings	22,466	24,766
Deferred tax (note 19)	477	614
	23,539	25,895

Amounts owed from group undertakings are unsecured and have no fixed date of repayment.
Interest is received on loans receivable at LIBOR plus 1.00% (2017: LIBOR plus 1.00%).

	2018 £'000	2017 £'000
Net investment in finance lease receivables comprises:		
Total amounts receivable	933	815
Less: Interest allocated to future periods	(56)	(60)
	877	755

Amounts receivable during the year under finance lease contracts amounted to £333,000 (2017: £306,000).

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

16 Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Trade creditors	4,499	3,819
Amounts owed to group undertakings	17,536	21,297
Other taxation and social security payable	4,760	5,004
Accruals and deferred income	7,728	7,190
Finance lease payable	60	56
Corporation tax liability	692	513
	35,275	37,879

Included in amounts owed to group undertakings is an inter company loan from B. Braun Melsungen AG. This amount is unsecured and interest is payable at LIBOR plus 1.00% (2017: LIBOR plus 1.00%). The remaining amounts are normal trading balances and no interest is payable.

17 Creditors: amounts falling due after more than one year

	2018 £'000	2017 £'000
Amounts owed to group undertakings	1,822	1,822
Finance lease payable	169	229
	1,991	2,051

Amounts owed to group undertakings are unsecured and have no fixed date of repayment. No interest is payable on these liabilities.

18 Provisions for liabilities

Deferred taxation provided in the financial statements is analysed as follows:

	2018 £'000	2017 £'000
Capital allowances in excess of depreciation (note 19)	404	345

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

19 Deferred taxation

Deferred taxation provided in the financial statements is analysed as follows:

	2018 £'000	2017 £'000
Tax effect of timing differences because of:		
Capital allowances in excess of depreciation	404	345
Other timing differences	(38)	(26)
Deferred tax liability excluding that relating to pension scheme	366	319
Deferred tax asset on the pension scheme	(439)	(588)
Net deferred tax asset	(73)	(269)

The movement in the deferred tax asset is reconciled as follows;

	2018 £'000
At 1 January 2018	(269)
Capital allowances in excess of depreciation	59
Other timing differences	(12)
Charge to profit relating to pension scheme	78
Charge to statement of comprehensive income relating to pension scheme	71
Net deferred tax asset at 31 December 2018	(73)

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

20 Called up share capital

	Issued and fully paid	
	2018 £'000	2017 £'000
9,375,000 (2017: 9,375,000) Ordinary shares of £1 each	9,375	9,375
625,000 (2017: 625,000) Ordinary non-voting shares of £1 each	625	625
	10,000	10,000

The ordinary shares and non-voting shares rank pari passu in all respects so that holders of non-voting shares are entitled to notice of and to attend general meetings but have no right to speak or vote at those meetings.

21 Dividends

The directors have approved and paid a final dividend for 2018 of £6,000,000 which was paid in February 2019 (2017: £1,000,000 paid in February 2018). Consequently the £6,000,000 dividend will be recorded in the 2019 financial statements.

22 Contingent liabilities

Contingent liabilities in respect of guarantees given to HMRC for VAT deferment duty amount to £250,000 (2017: £250,000). Contingent liabilities in respect of other guarantees amount to £nil (2017: £nil).

In the opinion of the directors no loss will arise in connection with these guarantees.

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

23 Financial commitments

Operating leases comprise leases and rentals of properties, vehicles and other equipment. The total expense under operating leases in the income statement amounted to £2,792,000 (2017: £2,344,000).

At 31 December 2018, future minimum lease payments under non-cancellable operating lease contracts were as follows:

	2018 £'000	2017 £'000
Within one year	2,649	2,425
Within two to five years	3,881	3,742
After five years	348	446
	6,878	6,613

24 Pension liability

The company operates a defined benefit pension scheme with assets held separately from those of the company in independently administered funds. The scheme provides retirement benefits on the basis of members' final salary. On 1 July 1999, the defined benefit scheme was closed to new members and on 30 September 2007 it was closed to future accrual.

The company also has a defined contribution scheme which is administered by Aviva which met its auto-enrolment obligations from its staging date of 1 January 2014.

The total pension cost for the year was £2,356,000 (2017: £2,179,000). At the year end £nil (2017: £nil) is included in accruals.

Defined benefit scheme

A full actuarial valuation was carried out at 31 March 2015 and updated at 31 December 2018 by qualified independent actuaries. The major assumptions used by the actuary as at 31 December 2018 were:

	31 December 2018	31 December 2017
Inflation assumption	2.0%	2.0%
Rate of increase in salaries	N/a	N/a
Discount rate	2.9%	2.6%
Rate of increase in pensions in payment	2.0%	2.0%

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

24 Pension liability (continued)

The company operates a defined benefit pension scheme with assets held separately from those of the company in independently administered funds. The scheme provides retirement benefits on the basis of members' final salary. On 1 July 1999, the defined benefit scheme was closed to new members and on 30 September 2007 it was closed to future accrual.

The company also has a defined contribution scheme which is administered by Aviva which met its auto-enrolment obligations from its staging date of 1 January 2014.

The total pension cost for the year was £2,356,000 (2017: £2,179,000). At the year end £nil (2017: £nil) is included in accruals.

Defined benefit scheme

A full actuarial valuation was carried out at 31 March 2015 and updated at 31 December 2018 by qualified independent actuaries. The major assumptions used by the actuary as at 31 December 2018 were:

	31 December 2018	31 December 2017
Inflation assumption	2.0%	2.0%
Rate of increase in salaries	N/a	N/a
Discount rate	2.9%	2.6%
Rate of increase in pensions in payment	2.0%	2.0%

The mortality assumptions used were as follows:

	2018 Years	2017 Years
Male member aged 65 (current life expectancy) in years	21.1	21.3
Male member aged 40 (life expectancy at age 65) in years	22.9	23.1
Female member aged 65 (current life expectancy) in years	23.0	23.1
Female member aged 40 (life expectancy at age 65) in years	24.9	25.0

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

24 Pension liability (continued)

The assets in the scheme were:

	Value as at 31 December 2018 £'000	Value as at 31 December 2017 £'000
Equities	-	4,475
Bonds	5,324	6,701
Cash	41	57
Other	13,136	8,742
	18,501	19,975

The scheme is closed to future accrual however as it is in deficit a recovery plan was agreed on 20 December 2018 whereby the company will contribute £650,000 per annum from 1 January 2019 increasing by 3.0% per annum (the first increase being due from 1 January 2020) in order to eliminate the deficit by July 2024.

During the year the Trustees moved the investments to a fiduciary management arrangement comprising diversified growth funds and fixed interest vehicles.

Expected benefit payments at 31 December 2018 were as follows:

	£
Year 1	533,000
Year 2	561,000
Year 3	568,000
Year 4	576,000
Year 5	584,000
Next 5 years	3,042,000

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

24 Pension liability (continued)

The following amounts at 31 December 2018 were measured in accordance with the requirements of IAS 19 "Employee benefits (amended 2011)":

Pension liability	2018	2017
	£'000	£'000
Total market value of assets	18,501	19,975
Present value of scheme liabilities	(21,085)	(23,435)
Deficit in the scheme	(2,584)	(3,460)

Reconciliation of present value of scheme liabilities	2018	2017
	£'000	£'000
At 1 January	23,435	24,057
Interest cost	590	631
Actuarial gains	(1,659)	(440)
Benefits paid	(1,281)	(813)
At 31 December	21,085	23,435

Guaranteed Minimum Pensions Equalisation

A UK High Court judgement was made on 26 October 2018 in respect of gender equalisation of guaranteed minimum pensions (GMP) for occupational pension schemes. The company has assessed the impact of GMP equalisation and believes that it will not be material relative to the overall liabilities of the scheme based on an independent estimate at the date of this report.

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

24 Pension liability (continued)

Sensitivity analysis of scheme liabilities

The sensitivity of the present value of scheme liabilities to changes in the principle assumptions used is set out below:

	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%	Decrease by 17%
Discount rate	Decrease by 1%	Increase by 23%
Inflation rate	Increase by 1%	Increase by 15%
Inflation rate	Decrease by 1%	Decrease by 12%
Mortality	Increase by 1 year	Decrease by 3%
Mortality	Decrease by 1 year	Increase by 3%

Reconciliation of present value of scheme assets	2018 £'000	2017 £'000
At 1 January	19,975	18,736
Expected return on scheme assets	509	497
Actuarial (losses)/gains on plan assets	(1,242)	1,015
Employer contributions	540	540
Benefits paid from plan	(1,281)	(813)
At 31 December	18,501	19,975

Scheme assets do not include any of the financial assets of B. Braun Medical Limited or any property occupied by B. Braun Medical Limited.

The actual loss on scheme assets in the year was £733,000 (2017: gain of £1,512,000).

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

24 Pension liability (continued)

The following amounts are recognised in the performance statements in the year to 31 December 2018 under the requirements of IAS 19 "Employee benefits (amended 2011)":

	2018	2017
	£'000	£'000
Operating profit		
Current service cost	-	-
Other finance cost		
Expected return on pension scheme assets	(509)	(497)
Interest on pension scheme liabilities	590	631
Net expense	81	134

Actuarial gains and losses

The cumulative amount of actuarial losses recognised in the statement of comprehensive income is £4,300,000 (2017: £3,883,000).

Actuarial valuation

The defined benefit scheme was closed to new members on 1 July 1999 and closed to future accrual on 30 September 2007. The total contribution expected to be made to the scheme by B. Braun Medical Limited in the year to 31 December 2019 is £650,000 (2018: £540,000).

Defined contribution scheme

The cost of contributions to the defined contribution scheme amounted to £2,275,000 (2017: £2,045,000). At the year end £nil (2017: £nil) is included in accruals.

25 Ultimate parent company

The directors regard B. Braun Melsungen AG, a company registered in Germany, as the ultimate parent company and controlling party. According to the register kept by the Company, B. Braun Melsungen AG has a 50% interest in the equity of B. Braun Medical Limited at 31 December 2018 and Aesculap International GmbH, a company registered in Germany, has the remaining 50% interest. Aesculap International GmbH itself is 100% owned by B. Braun Melsungen AG. Copies of the parent's consolidated financial statements may be obtained from Carl Braun Strasse 1, 34212 Melsungen, Germany.

B. Braun Melsungen AG is the smallest and largest group in which these results are consolidated.