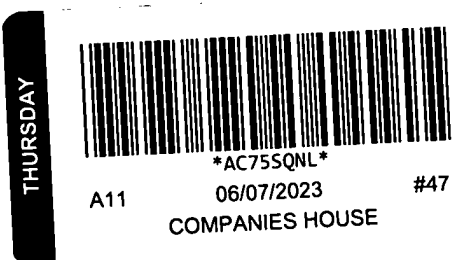


Registered number: 2296559

B. Braun Medical Limited

Annual report and financial statements
for the year ended 31 December 2022



B. Braun Medical Limited

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B. Braun Medical Limited

Directors and Advisers

Directors

A Cash

D Gold

M Parden (Group Managing Director)

P Skelton

Registered office

Brookdale Road

Thorncliffe Park Estate

Chapelton

Sheffield

S35 2PW

The company is registered in England and Wales.

Independent auditors

Rödl & Partner Limited

170 Edmund Street

Birmingham

B3 2HB

Bankers

HSBC Bank plc

17 Church Street

Sheffield

S1 1HH

B. Braun Medical Limited

Strategic report for the year ended 31 December 2022

The directors present their strategic report on the company for the year ended 31 December 2022.

Principal activities

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

Review of the business and future developments

2022 saw continued underlying growth from the core business with a further change in the product mix due to the evolution of the COVID pandemic. The company experienced strong demand for its critical care infusion and anaesthesia products again and there was some recovery in demand for implant and surgical products as elective surgery recommenced. Increased costs of sales and operating expenses, resulted in a reduction in operating profit.

Taking into consideration the comments made in this review, both the level of business and the year-end financial position were in line with the expectation of the directors. The directors expect that the strength in the core business will lead to continued growth in the 2023 financial year and for the foreseeable future. During 2020 the B. Braun group announced its new strategy for the next decade and the company continues to align itself to that strategy with the main areas of focus being the development of innovative technologies, digital excellence, customer focus and joint commitment.

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, and more recently industrial action in the healthcare sector. The directors believe that the most recent forecast for sales and profitability remains realistic and achievable, and that elective surgery will continue to increase during 2023.

The company made a loan to a subsidiary company in 2007, to facilitate the construction of decontamination centres in Yorkshire and Birmingham, in order to fulfil fifteen year decontamination service contracts. The contracts were due for renewal in 2022 and 2023 and the outcomes will affect the company's ability to recover the loan. A five year extension has been agreed for the contract in Yorkshire. The contract in Birmingham is due to come to an end in 2024 and the customer has been advised that the subsidiary will not be seeking to re-tender.

Section 172 (1) (a) to (f) of the Companies Act 2006

The directors are committed to promoting the long-term success of the company whilst having regard to employees, customers, suppliers, the environment and the local community. They seek to do this by meeting monthly and inviting input from the sales and marketing, human resources and business operations heads of department, and other key stakeholders (internal and external) when it is appropriate to do so. The inclusion of non-executive directors ensures that the board maintains a broader perspective.

B. Braun Medical Limited

Strategic report for the year ended 31 December 2022 (continued)

Section 172 (1) (a) to (f) of the Companies Act 2006 (continued)

An executive committee also meets monthly and includes representation from other heads of key departments including regulatory affairs, supply chain and finance. Since the pandemic the executive committee has also met weekly to facilitate speedy responses to changing circumstances. A supervisory board meets twice a year and comprises representatives from both the board of B. Braun Medical Limited, and the ultimate parent company and shareholders in Germany. The company benefits from the availability of Group finance when it requires it. Recognising that our employees are our greatest asset, an employee forum comprising elected staff representatives meets quarterly with management to discuss a range of topics including company performance, employee welfare, fundraising ideas and initiatives to support the local community.

A detailed employee survey was conducted in 2017, entitled "Have Your Say", which included a campaign to encourage every employee to participate. This resulted in a number of initiatives with a specific board sponsor allocated to them, including a two year project to develop standardised pay frameworks across the business and a strategy to address the current gender pay gap. Further results and actions were announced to the staff during the year. Five members of staff celebrated 25 years of employment with the company in 2022.

The majority of the products that we sell are produced by other companies in the B. Braun Group. Innovation is a key part of our continued success in the healthcare market and the directors have tasked specific product specialists to provide input into the development of replacement products and upgrades, and identification of potential bottlenecks in the supply chain. Furthermore, the company has engaged during the year with third party suppliers to ensure that compliance requirements including modern slavery and data protection are fully considered in our supplier selections. The company has standard payment terms and performance is reported under the Payment Practices and Performance reporting legislation.

B. Braun Medical Ltd is a major local employer with significant growth in employee numbers, we offer a wide variety of job models and career paths. B. Braun is proud to hold the Investors in People Gold and Champion Awards. This high-level achievement demonstrates that B. Braun employees have the right knowledge, skills, and motivation to make an outstanding contribution towards the success of our organisation. We also invest in our employees through our education incentive scheme as well as employing apprentices and industry placements.

As a family owned company, B. Braun is committed to long term social causes beyond its actual business activities. The focus of our work is on imparting knowledge, promoting the regions in which we operate, and improving prospects for generations. Our commitment ranges from material resources to financial support in the form of sponsorship or donations, to the voluntary work of our employees. In 2021, B. Braun globally supported a total of 226 social projects in 33 countries, despite the pandemic.

B. Braun Medical Limited

Strategic report for the year ended 31 December 2022 (continued)

Section 172 (1) (a) to (f) of the Companies Act 2006 (continued)

The B. Healthy - B. Braun programme is a B. Braun UK initiative, which aims to improve the health and well-being of children across South Yorkshire. It recently returned to being face-to-face after virtual sessions ran through last season due to the pandemic. B. Braun, together with the Sheffield Sharks Men's Basketball Club and the Sheffield Hatters Women's Basketball Club, visit schools to educate 7–11 year olds about the importance of good nutrition and being active, with pupils offered professional tuition in either dance or basketball as part of the scheme. By delivering the scheme, we encourage thousands of local school children to take up sport and exercise in South Yorkshire, as well as educating them on the benefits of living an active and well life.

B. Braun is also one of the Yorkshire Air Ambulance's longest running corporate partners, supporting a wide ranging sponsorship package. This includes funding to help maintain YAA's two aircraft, provision of helmets for air crew and paramedics, community vans and an educational and promotional van, for schools and events. Supporting charitable organisations like the YAA is hugely important to us at B. Braun, and over the years our employees have established a culture of giving back to help those in need within our communities as much as we can.

In 2022, B. Braun was the official medical and welfare sponsor of the British Transplant Games in Leeds, attracting around 1,000 transplant athletes and more than 1,700 supporters and family. B. Braun provided vital support needed to run the event, helping to promote such important messages around organ donation and the gift of life that it provides.

A list of environmental standards and ISOs that the company has achieved are listed on the B.Braun.co.uk website.

The B. Braun mission is to "Protect and Improve the Health of People around the World".

The company's major customer is the NHS and the directors were actively engaged during the year exploring new ways of collaborating with the many Trusts that we conduct business with. Previously the company had to refocus its activities on helping the NHS respond to the extraordinary demand from COVID-19 patients. During both the first and second variants, top priority was very much on ensuring our critical care infusion and anaesthesia products could meet the unprecedented demand. In parallel, across the portfolio we are engaging with senior stakeholders across the system to see how some of our innovations can help the NHS recover in a post-COVID environment.

The health care industry is heavily regulated and the company also has its own compliance committee which has delegated authority to ensure that the company operates at all times within relevant laws and regulations, including monitoring its environmental obligations.

We are in direct contact with the Department of Health and Social Care team leading on the United Kingdom supply of medicines and healthcare products to Ukraine to offer support where we can.

B. Braun Medical Limited


Strategic report for the year ended 31 December 2022 (continued)

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. The company is currently paying deficit contributions into a closed defined benefit pension scheme (see Note 26). Increased costs arising from Brexit such as currency devaluation and increased administration on imports have introduced additional challenges. Climate change presents challenges and risks, whilst also providing opportunities to be more efficient. 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.

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 2022 compared to the year ended 31 December 2021. Gross profit as a percentage of sales revenue decreased by 1.4% compared to the previous year (2021: decreased by 0.2%). Sales revenue per head increased by £32,000 (2021: decreased by £12,300). Operating Profit as a percentage of sales decreased by 0.7% compared to the prior year (2021: decreased by 0.2%). Supply chain costs as a percentage of sales fell by 0.2% to 5.2% (2021: rose by 0.7% to 5.4%). 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 2021, the organisation was awarded the Investors in People Gold award following its re-accreditation under the new standard.

On behalf of the Board



M Parden
Director
23 June 2023

B. Braun Medical Limited

Directors' report for the year ended 31 December 2022

The directors present their report and the audited financial statements of the company for the year ended 31 December 2022.

Future developments

As already discussed in the Strategic Report, during 2023 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 has already developed new and innovative ways of working using the foundations of innovation, efficiency and sustainability in response to the COVID-19 pandemic and will continue to build on this.

Results and dividends

The income statement for the year is set out on page 15. The directors have approved and paid a final dividend of £3,200,000 for 2022 in March 2023 following a request from the parent company and having considered the company's cash flow requirements for the coming year (2021: £5,000,000).

Going concern

The directors have prepared forecasts of profit and cash flow which indicate that the company will continue to generate cash inflows and remain profitable in future years. The directors therefore believe that preparing the financial statements on the going concern basis is appropriate.

Cash pooling

The company meets its day-to-day working capital requirements through access to funds as part of the B. Braun group's cash pooling arrangement that is administered through B. Braun SE, a fellow group company, which acts as an internal bank for the group subsidiaries. The company has access to unrestricted funds as part of the contractual cash pooling terms and conditions, and either party has the right to withdraw from the agreement by giving notice, for which no reason needs to be given. Under the cash pooling arrangements no cash is held by the Company. All balances, with the exception of local deposit accounts, are 'swept' to B. Braun SE at the end of business on each day.

The company is wholly dependent on the B. Braun group cash pooling arrangements for access to the cash flows necessary for the day-to-day running of the company and to support the going concern assertion.

Having received a letter confirming the availability of Group support for a period of twelve months from the date these financial statements are signed, the directors have a reasonable expectation that the company has access to adequate financial and other resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Charitable donations

The charitable contributions made by the company during the year amounted to £830 (2021: £nil). There were no political contributions (2021: £nil). The purpose of all charitable donations was the improvement of welfare in the wider community.

B. Braun Medical Limited

Directors' report for the year ended 31 December 2022 (continued)

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 due to the availability of funding within the group and no reliance external funding.

Directors

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

A Cash

D Gold

D Oates resigned 30 April 2023

M Parden appointed 1 May 2023 (Managing Director)

P Skelton

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

Employees and Employee Engagement

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.

B. Braun Medical Limited

Directors' report for the year ended 31 December 2022 (continued)

Employees and Employee Engagement (continued)

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.

During the year the company maintained a structured approach to communicating strategic priorities with its employees. This included discussion from the board and executive committee with a leadership forum which met fortnightly. Key decisions and actions were cascaded to employees following these meetings as well as feedback from senior management being provided to the board. An Objectives and Key Results update was circulated regularly to all employees communicating business performance and progress against strategic objectives. The employee forum met five times with the Group Managing Director to discuss business performance, employee welfare and fundraising initiatives.

Streamlined Energy & Carbon Regulation reporting

Methodology

The following disclosure has been prepared using a methodology based upon The Greenhouse Gas Protocol (revised) and other guidance such as The GHG Protocol Scope Guidance, to assist in complying with the requirements of the Streamlined Energy & Carbon Regulation. Direct monitoring is either unavailable or prohibitively expensive therefore emissions data has been calculated from fuel use and mileage data. Scope 1 Greenhouse Gas emissions have been calculated based on the purchased quantities of commercial fuels (such as natural gas) and mileage, using published UK Government emission factors. Scope 2 GHG emissions have been calculated from metered electricity consumption and supplier specific, local grid, or other published emission factors. No specific sector tools were used and the methodology is based on absolutes. Data was collected centrally. This data is also used for Energy Savings Opportunity Scheme reporting compliance.

Emissions and energy use (all UK)

	2022	2021 Restated	
Energy consumption			
Scope 1 Energy consumption from gas	1,778,124	2,055,427	kWh
Scope 1 Energy consumption from transport	2,857,462	2,487,017	kWh
Scope 2 Energy consumption from electricity	2,552,900	2,619,453	kWh
Total energy consumption	7,188,486	7,161,897	kWh
Emissions			
Scope 1 Emissions from gas	325	376	tCO ₂ e
Scope 1 Emissions from transport	708	617	tCO ₂ e
Scope 2 Emissions	494	556	tCO ₂ e
Total emissions	1,527	1,549	tCO₂e

B. Braun Medical Limited

Directors' report for the year ended 31 December 2022 (continued)

Streamlined Energy & Carbon Regulation reporting (continued)

Scope 1 Energy consumption from transport and Scope 1 Emissions from transport have been restated due to employee-owned car mileage being incorrectly included within the Scope 1 figures in previous years. Approximately 89 tCO₂e was removed from the 2019 Scope 1 base year figures.

	2022	2021 Restated
Intensity ratios		
Intensity ratio 1. Total CO ₂ Emissions to sales	7.6	8.8
Intensity ratio 2. Vehicle tCO ₂ e to sales	3.5	3.5

These intensity ratios were selected as they were assessed as having the biggest impact and are probably the most relevant for the company to measure future improvements against. Intensity ratio 1 showed improvement against last year. Intensity ratio 2 remained the same but is significantly lower than the 2019 base year as on line meetings continued when it was more appropriate to do so.

Energy efficiency actions in 2022

More monitoring devices were installed on specific electrical circuits at our head office site to understand our electricity usage better. We installed LED lighting in the office and workshop areas at our Technical Services site. We changed internal lighting to LED lighting in the offices at our head office site and continued to upgrade our building management system controllers and associated software.

Our car fleet policy was amended in 2022 to offer only hybrid, plug-in hybrid and battery electric vehicles and we invited some drivers to terminate existing car leases early to move to greener vehicles.

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



M Parden
Director
23 June 2023

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, 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 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 also 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board



M Parden
Director
23 June 2023

B. Braun Medical Limited

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of B. Braun Medical Limited (the 'company') for the year ended 31 December 2022, which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. 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), including FRS 101 'Reduced Disclosure Framework'.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

B. Braun Medical Limited

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 10], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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)

Auditor 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 auditor's 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

B. Braun Medical Limited

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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



Imran Farooq (Senior Statutory Auditor)
For and on behalf of Rödl & Partner Limited, Statutory Auditor

170 Edmund Street
Birmingham
B3 2HB
Date: 23rd June, 2023

B. Braun Medical Limited

Income statement for the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Revenue	3	200,475	175,380
Cost of sales		(147,732)	(126,793)
Gross profit		52,743	48,587
Operating expenses	4	(47,097)	(43,180)
Other operating income	8	-	686
Operating profit	7	5,646	6,093
Interest receivable and similar income	9	257	235
Interest payable and similar expenses	10	(127)	(164)
Profit before taxation		5,776	6,164
Tax on profit	11	(1,092)	(1,690)
Profit for the financial year		4,684	4,474

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

The accompanying notes on pages 19 to 45 form an integral part of these financial statements.

B. Braun Medical Limited

Statement of comprehensive income for the year ended 31 December 2022

	2022	2021
	£'000	£'000
Profit for the financial year	4,684	4,474
Actuarial (loss)/gain on pension scheme	(2,010)	4,477
Movement on deferred tax relating to pension scheme	503	(675)
Total comprehensive income for the year	3,177	8,276

All items included in total comprehensive income above will not be subsequently reclassified to the income statement.

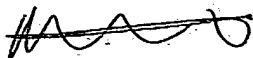
B. Braun Medical Limited

Balance sheet as at 31 December 2022

Registered number: 2296559

	Note	2022 £'000	2021 £'000
Fixed assets			
Intangible assets	12	516	557
Tangible assets	13	18,121	18,809
Right-of-use assets	14	3,322	3,601
Investments	15	1,400	1,400
		23,359	24,367
Current assets			
Inventories	16	23,919	21,616
Debtors: amounts falling due within one year	17	33,459	34,296
Debtors: amounts falling due after more than one year	17	23,624	22,341
Cash at bank and in hand		152	150
		81,154	78,403
Creditors: amounts falling due within one year	18	(47,987)	(45,037)
Total assets less current liabilities		56,526	57,733
Creditors: amounts falling due after more than one year	19	(3,881)	(4,326)
Provision for liabilities	20	(1,251)	(1,510)
Net assets excluding pension liability		51,394	51,897
Pension liability	26	(2,756)	(1,436)
Net assets including pension liability		48,638	50,461
Capital and reserves			
Called up share capital	22	10,000	10,000
Retained earnings		38,638	40,461
Total shareholders' funds		48,638	50,461

The financial statements on pages 15 to 45 were approved by the Board of directors on 23 June 2023 and were signed on its behalf by:



P Skelton
Director

B. Braun Medical Limited

Statement of changes in equity for the year ended 31 December 2022

	Called up share capital	Retained earnings	Total shareholders' funds
	£'000	£'000	£'000
At 1 January 2021	10,000	32,185	42,185
Profit for the financial year	-	4,474	4,474
Other comprehensive income	-	3,802	3,802
At 31 December 2021 and 1 January 2022	10,000	40,461	50,461
Profit for the financial year	-	4,684	4,684
Other comprehensive expense	-	(1,507)	(1,507)
Dividend	-	(5,000)	(5,000)
At 31 December 2022	10,000	38,638	48,638

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2022

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.

In light of the COVID-19 pandemic we have considered the basis of preparation and have concluded that the going concern basis remains appropriate.

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 28 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 2022 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)

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

2 Significant accounting policies (continued)

Basis of preparation (continued)

- IAS 7, "statement of cash flow"
- Paragraph 17 of IAS 24 "Related party disclosures" (key management compensation)
- The requirements of IAS 24, "Related party disclosures" to disclose related party transactions entered into between two or more members of a group.
- Paragraph 61 of FRS101 relating to lessor accounting.
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15.

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

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.

The principles in IFRS 15 are applied to revenue recognition criteria using the following 5 step model:

1. Identify the contracts with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when or as the entity satisfies its performance obligations

On average the number of days between the satisfaction of the company's performance obligations and receipt of payment is 66 days. The company has assessed its obligation for refunds and returns and has determined that the likelihood of this obligation being material is low. The most likely reason for a return would be if a product was found to be faulty and the company supplies products to the health care market which is highly regulated and consequently failure rates are low. The transaction prices for goods and services are allocated on the basis of customer contractual agreements.

Recognition

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 2022 (continued)

2 Significant accounting policies (continued)

Other operating income

Where government grants relate to expenses already incurred, they shall be recognised as income in the period to which the expenses relate. Government grants are disclosed separately as other operating income in the Income Statement.

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.

Amortisation charges are included within operating expenses. The amortisation rates used for this purpose are:

Customer contracts and software	20% - 25%
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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
Right-of-use assets	life of lease

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 2022 (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

Under IFRS 16, a right-of-use asset and a corresponding lease liability is recognised at the lease commencement date. The right-of-use asset is initially measured by reference to the present value of the lease payments due over the contractual lease term. These lease payments are discounted using an incremental borrowing rate set on a country-specific basis by the ultimate parent company. The weighted average incremental borrowing rate is 2.1%. The right-of-use asset is depreciated on a straight line basis from the commencement date to the end of the lease term.

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases (those with a lease term of 12 months or less) and leases of low-value assets (which relate primarily to IT equipment). The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Total payments made in the year against leased assets were £2,319,000 (2021: £2,299,000).

Where the company acts as a lessor, it determines at lease inception where each lease is to be classified as an operating lease, or a finance lease. If substantially all of the risks and rewards of ownership have transferred, the lease is deemed to be a finance lease.

Where assets were leased to a customer under a finance lease, the present value of the lease payments was recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income.

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 an average cost 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.

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.

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

2 Significant accounting policies (continued)

Financial assets (continued)

Intercompany loans receivable

The recoverability of intercompany loans is determined by comparing the forecasted cash flows to the carrying value of the loan. Where an expected credit loss arises under IFRS 9, this is recognised as a charge within operating expenses.

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. The scheme is governed by the UK regulatory framework (including the Pensions Act 2004) which is overseen by the Pensions Regulator, and the statutory funding objective is set out in the Statement of Funding Principles. Day to day governance is delegated to the Trustees who are appointed with the consent of the company.

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 26.

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 2022 (continued)

2 Significant accounting policies (continued)

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively. Current or deferred taxation assets and liabilities are not discounted.

Current Tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated based on tax rates and laws that have been enacted or substantively enacted by the period end.

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 group are not disclosed.

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

The company is a 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.

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

2 Significant accounting policies (continued)

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) 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 16 for the net carrying amount of the inventory.

(b) 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 26 for the disclosures relating to the defined benefit pension scheme.

(c) 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.

(d) Expected credit losses on intercompany loans

Whether an expected credit loss arises under IFRS 9 on an intercompany loan is determined by comparing the forecasted discounted cash flows to the carrying value of the loan. Where an expected credit loss arises this is recognised as a charge within operating expenses.

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

3 Revenue

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

Revenue is split by geographical location as follows:

	2022 £'000	2021 £'000
United Kingdom	198,798	173,745
Europe	1,359	1,270
Asia Pacific	315	362
North America	3	3
	200,475	175,380

4 Operating expenses

	2022 £'000	2021 £'000
Sales and distribution costs	41,267	38,297
Administrative expenses	5,830	4,883
Operating expenses	47,097	43,180

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

5 Employee information

	2022	2021
	£'000	£'000
Wages and salaries	33,113	32,227
Social security costs	4,175	3,632
Other pension costs (note 26)	3,874	3,579
	41,162	39,438

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

By activity	2022	2021
	Number	Number
Production	188	171
Sales and administration	541	539
	729	710

6 Directors' emoluments

	2022	2021
	£'000	£'000
Aggregate emoluments (excluding pensions)	725	875

Emoluments payable to the highest paid director are as follows:	2022	2021
	£'000	£'000
Aggregate emoluments and benefits	329	353
Money purchase pension scheme:		
- Company contributions paid	-	-

Retirement benefits were accruing to no (2021: one) directors under a defined benefit scheme and to two under a money purchase scheme (2021: three). Company contributions in respect of directors that are members of the money purchase scheme totalled £59,000 for the year (2021: £76,000).

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

7 Operating profit

	2022 £'000	2021 £'000
Operating profit is stated after charging/(crediting):		
Amortisation/depreciation charge for the year		
- intangible assets	38	19
- tangible assets	2,468	2,302
-right-of-use assets	1,413	1,409
Auditors' remuneration for:		
- audit	98	147
- taxation compliance services	-	38
- taxation advisory services	-	36
Increase in inventory provision	264	216
Inventories recognised as an expense	124,532	105,419
Foreign exchange losses/(gains)	58	(34)

Employee benefit costs in respect of sales, distribution and administrative employees are disclosed within Operating Expenses. Remaining employee benefit costs are disclosed within Cost of Sales.

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

8 Other operating income

The company was in receipt of government grants in respect of claims under the coronavirus job retention scheme during the previous year. The amounts receivable during the previous year and recognised in the income statement were:

	2022 £'000	2021 £'000
Government grant	-	686
	-	686

9 Interest receivable and similar income

	2022 £'000	2021 £'000
Interest receivable on finance leases	12	31
Group interest receivable	245	204
	257	235

10 Interest payable and similar expenses

	2022 £'000	2021 £'000
Group interest payable	30	7
Other finance cost (note 26)	20	80
Interest expense on leases	71	77
Other interest expenses	6	-
	127	164

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

11 Tax on profit

	2022 £'000	2021 £'000
Current tax:		
UK corporation tax on profits of the year	1,186	904
Adjustments in respect of prior years	(7)	100
Total current tax	1,179	1,004
Deferred tax:		
Origination and reversal of timing differences	(4)	315
Adjustments in respect of prior years	(82)	(82)
Changes in tax rates	(1)	453
Total deferred tax (note 21)	(87)	686
Total tax on profit	1,092	1,690

The tax assessed for the year is lower than (2021: higher than) the standard rate of corporation tax in the UK of 19.0% (2021: 19.0%). The differences are explained below:

	2022 £'000	2021 £'000
Profit before taxation	5,776	6,164
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 19.0% (2021: 19.0%)	1,097	1,171
Effects of:		
Expenses not deductible for tax purposes or exempt	85	48
Changes in tax rates	(1)	453
Adjustments in respect of prior years	(89)	18
Total tax charge for the year	1,092	1,690

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

11 Tax on profit (continued)

Factors affecting current and future tax changes

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

12 Intangible assets

	Customer contracts	Software	Total
	£'000	£'000	£'000
Cost			
At 1 January 2022	321	2,164	2,485
Disposals	-	(3)	(3)
At 31 December 2022	321	2,161	2,482
Accumulated amortisation			
At 1 January 2022	321	1,607	1,928
Charge for the year	-	38	38
At 31 December 2022	321	1,645	1,966
Net book amount			
At 31 December 2022	-	516	516
At 31 December 2021	-	557	557

As at 31 December 2022 the company had capital commitments of £120,000 (2021: £nil).

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

13 Tangible assets

	Land and buildings						
	Freehold	Leasehold improve- ments	Assets in the course of construction	Technical equipment and machinery	Demonstration and consignment assets	Computer and office equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 January 2022	19,549	246	287	2,602	11,217	3,106	37,007
Additions	228	-	268	72	1,146	77	1,791
Transfers	-	-	(28)	-	-	28	-
Disposals	(7)	-	-	-	(323)	-	(330)
At 31 December 2022	19,770	246	527	2,674	12,040	3,211	38,468
Accumulated depreciation							
At 1 January 2022	6,567	155	-	1,262	8,240	1,974	18,198
Charge for the year	721	17	-	158	1,389	183	2,468
Disposals	(6)	-	-	-	(313)	-	(319)
At 31 December 2022	7,282	172	-	1,420	9,316	2,157	20,347
Net book amount							
At 31 December 2022	12,488	74	527	1,254	2,724	1,054	18,121
At 31 December 2021	12,982	91	287	1,340	2,977	1,132	18,809

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

14 Right-of-use assets

	Land & Buildings	Technical Equipment	Other Equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2022	866	565	4,451	5,882
Additions	-	27	1,160	1,187
Disposals	(50)	(20)	(706)	(776)
At 31 December 2022	816	572	4,905	6,293
Accumulated depreciation				
At 1 January 2022	330	205	1,746	2,281
Charge for the Year	114	118	1,181	1,413
Disposals	(50)	(20)	(653)	(723)
At 31 December 2022	394	303	2,274	2,971
Net book amount				
At 31 December 2022	422	269	2,631	3,322
At 31 December 2021	536	360	2,705	3,601

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

15 Investments

	£'000
Cost at 1 January 2022	3,400
Accumulated impairment at 1 January and 31 December 2022	(2,000)
Net book amount at 31 December 2022	1,400

For 2022, the discount rate used in determining the post interest value of the future cash flows is a 5 year gilt rate of 3.45% plus 1% premium (4.45%) (2021: 10 year gilt rate of 1.18% plus 1% premium (2.18%)).

Interest in group undertakings

The company had the following subsidiary undertakings at 31 December 2022:

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%	-	(16,970)	(874)
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%	630	2,243
B. Braun Sterilog (Birmingham) Limited	Ordinary	-	100%	(2,123)	(207)

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 2022 (continued)

16 Inventories

	2022	2021
	£'000	£'000
Raw materials and consumables	179	96
Work in progress	210	135
Finished goods and goods for resale	23,530	21,385
	23,919	21,616

Inventories are stated net of a provision of £1,777,000 (2021: £1,513,000).

17 Debtors

	2022	2021
	£'000	£'000
Amounts falling due within one year		
Trade debtors	27,457	28,511
Amounts owed from group undertakings	2,078	1,344
Prepayments and accrued income	1,109	1,188
Finance lease receivable	2,721	2,266
Other debtors	94	987
	33,459	34,296

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

17 Debtors (continued)

	2022 £'000	2021 £'000
Amounts falling due after more than one year		
Finance lease receivable	5,821	4,347
Loans receivable from group undertakings	17,113	17,635
Deferred tax (note 21)	690	359
	23,624	22,341

Amounts owed from group undertakings are unsecured and have no fixed date of repayment. Interest is received on loans receivable at SONIA less 0.2% (2021: LIBOR plus 1.0%). Loans receivable from group undertakings are stated net of provisions against impairment of £7,995,000. For 2022, the discount rate used in determining the post interest value of the future cash flows is a 5 year gilt rate of 3.45% plus 1% premium (4.45%) (2021: 10 year gilt rate of 1.18% plus 1% premium (2.18%)).

	2022 £'000	2021 £'000
Net investment in finance lease receivables comprises:		
Total amounts receivable	8,556	6,629
Less: Interest allocated to future periods	(15)	(16)
	8,541	6,613

Amounts received during the year under finance lease contracts amounted to £1,325,000 (2021: £1,744,000).

The maturity for the total amounts receivable under finance leases is analysed as follows:

	£'000
Due within one year	2,725
Due within two years	1,958
Due within three years	1,718
Due within four years	1,508
Due within five years	266
Due after five years	381
Total	8,556

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

18 Creditors: amounts falling due within one year

	2022	2021
	£'000	£'000
Trade creditors	4,825	3,859
Amounts owed to group undertakings	23,799	23,631
Other taxation and social security payable	6,231	6,204
Accruals and deferred income	11,596	9,645
Lease payable	1,359	1,698
Corporation tax liability	177	-
	47,987	45,037

Included in amounts owed to group undertakings is an intercompany loan from B. Braun Melsungen AG of £144,000 (2021: £763,000). This amount is unsecured and interest is payable at SONIA plus 1.0% (2021: LIBOR plus 1.0%). The remaining amounts are normal trading balances and no interest is payable.

19 Creditors: amounts falling due after more than one year

	2022	2021
	£'000	£'000
Amounts owed to group undertakings	1,822	1,822
Lease payable	2,059	2,504
	3,881	4,326

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

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

20 Provisions for liabilities

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

	2022	2021
	£'000	£'000
Capital allowances and other timing differences (note 21)	1,251	1,510

21 Deferred taxation

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

	2022	2021
	£'000	£'000
Tax effect of timing differences because of:		
Capital allowances in excess of depreciation	1,264	1,524
Other timing differences	(13)	(14)
Deferred tax liability excluding that relating to pension scheme	1,251	1,510
Deferred tax asset on the pension scheme	(690)	(359)
Net deferred tax liability	561	1,151

The movement in the deferred tax liability/(asset) is reconciled as follows;

	2022	2021
	£'000	£'000
At 1 January	1,151	(210)
(Credit)/charge to income statement	(87)	686
(Credit)/charge to statement of comprehensive income	(503)	675
Net deferred tax liability at 31 December	561	1,151

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

22 Called up share capital

	Issued and fully paid	
	2022 £'000	2021 £'000
9,375,000 (2021: 9,375,000) Ordinary shares of £1 each	9,375	9,375
625,000 (2021: 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.

23 Dividends

The directors have proposed and paid a final dividend of £3,200,000 for 2022 in March 2023 (2021: £5,000,000). The £3,200,000 dividend paid in respect of 2022 will be recorded in the 2023 financial statements.

24 Contingent liabilities

Contingent liabilities in respect of guarantees given to HMRC for VAT deferment duty amount to £78,000 (2021: £78,000). In the opinion of the directors no loss will arise in connection with these guarantees.

25 Financial commitments

The company leases properties, vehicles and other equipment.

Under IFRS 16, the majority of these contracts were recognised as lease liabilities with a corresponding right-of-use asset. In addition, the following amounts were recognised as a selling expense in the 2022 income statement:

	2022 £'000	2021 £'000
Expenses relating to short term leases	91	37
Expenses relating to low value assets	172	104

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

26 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 £3,895,000 (2021: £3,660,000). At the year end £nil (2021: £nil) is included in accruals.

Defined benefit scheme

A full actuarial valuation was carried out at 31 March 2021 and updated at 31 December 2022 by qualified independent actuaries. The major assumptions used by the actuary as at 31 December 2022 were:

	31 December 2022	31 December 2021
Inflation assumption	2.8%	2.9%
Rate of increase in salaries	N/a	N/a
Discount rate	4.8%	1.9%
Rate of increase in pensions in payment	2.8%	2.9%

The mortality assumptions used were as follows:

	2022 Years	2021 Years
Male member aged 65 (current life expectancy) in years	21.0	21.2
Male member aged 40 (life expectancy at age 65) in years	22.7	22.9
Female member aged 65 (current life expectancy) in years	23.7	23.9
Female member aged 40 (life expectancy at age 65) in years	25.6	25.7

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

26 Pension liability (continued)

The assets in the scheme were:

	Value as at 31 December 2022 £'000	Value as at 31 December 2021 £'000
Investment funds	8,650	16,080
Shares and similar securities	2,772	5,280
Real estate	445	1,003
Insurance contracts	120	192
Cash and cash equivalents	203	805
Other	2,347	1,667
	14,537	25,027

During the year the scheme held investments in a fiduciary management arrangement comprising diversified growth funds and fixed interest vehicles. All assets are held in pooled, unquoted investment funds. The investment managers are responsible for ensuring that the plan is not invested in a manner which exposes the plan or entity to unnecessary risks, or subjected to concentration risks. Governance reports and structures are reviewed regularly by the Trustees to monitor this.

The scheme is closed to future accrual however as it is in deficit a recovery plan was agreed on 16 December 2021 whereby the company will contribute £710,000 per annum from 1 January 2022 increasing by 3.0% per annum (the first increase being due from 1 January 2023) in order to eliminate the deficit by May 2025.

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

26 Pension liability (continued)

The following amounts at 31 December 2022 were measured in accordance with the requirements of IAS 19 "Employee benefits (amended 2011)":

Pension liability	2022	2021
	£'000	£'000
Total market value of assets	14,537	25,027
Present value of scheme liabilities	(17,293)	(26,463)
Deficit in the scheme	(2,756)	(1,436)

Reconciliation of present value of scheme liabilities	2022	2021
	£'000	
At 1 January	26,463	30,418
Interest cost	484	391
Actuarial (gains)/losses	(8,404)	(3,654)
Benefits paid	(1,250)	(692)
At 31 December	17,293	26,463

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. On 20 November 2020 the High Court ruled that pension schemes will need to revisit individual transfer payments made since 17 May 1990 to check if any additional value is due as a result of GMP equalisation. 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.

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

26 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 13%
Discount rate	Decrease by 1%	Increase by 15%
Inflation rate	Increase by 1%	Increase by 8%
Inflation rate	Decrease by 1%	Decrease by 7%
Mortality	Increase by 1 year	Increase by 4%
Mortality	Decrease by 1 year	Decrease by 4%

Reconciliation of present value of scheme assets	2022 £'000	2021 £'000
At 1 January	25,027	23,895
Expected return on scheme assets	464	311
Actuarial (loss)/gains on plan assets	(10,414)	823
Employer contributions	710	690
Benefits paid from plan	(1,250)	(692)
At 31 December	14,537	25,027

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 £9,950,000 (2021: gain of £1,134,000).

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Notes to the financial statements for the year ended 31 December 2022 (continued)

26 Pension liability (continued)

The following amounts are recognised in the performance statements in the year to 31 December 2022 under the requirements of IAS 19 "Employee benefits (amended 2011)":

	2022	2021
	£'000	£'000
Operating profit		
Current service cost	-	-
Other finance cost		
Expected return on pension scheme assets	(464)	(311)
Interest on pension scheme liabilities	484	391
Net expense	20	80

Actuarial gains and losses

The amount of cumulative actuarial losses recognised in the statement of comprehensive income is £6,146,000 (2021: Losses of £4,477,000).

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 2023 is £732,000 (2022: £710,000).

Defined contribution scheme

The cost of contributions to the defined contribution scheme amounted to £3,875,000 (2021: £3,579,000). At the year end £nil (2021: £nil) is included in accruals.

B. Braun Medical Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

27 Ultimate parent company

The directors regard B. Braun Holding GmbH & Co. KG, 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 2022 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 SE AG is the smallest and largest group in which these results are consolidated.