

# **DePuy International (Holdings) Limited**

**Annual report and financial statements**

**For the year ended 30 December 2012**



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## **DePuy International (Holdings) Limited**

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**DePuy International (Holdings) Limited**

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**Company Information**

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<b>Directors</b>	BG Armstrong AA Faber
<b>Registered number</b>	03331107
<b>Registered office</b>	St Anthony's Road Beeston Leeds LS11 8DT
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Benson House 33 Wellington Street Leeds LS1 4JP
<b>Bankers</b>	The Royal Bank of Scotland plc London Corporate Service Centre PO Box 39952 2 ½ Devonshire Square London EC2M 4XJ
<b>Solicitors</b>	DLA Piper UK LLP Princes Exchange Princes Square Leeds LS1 4BY

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## **DePuy International (Holdings) Limited**

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### **Directors' report For the year ended 30 December 2012**

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The directors present their annual report and the audited financial statements of the company for the year ended 30 December 2012

#### **Principal activities**

The principal activity of the company is the provision of loans to fellow group undertakings

#### **Business review**

Given that the company receives only interest from fellow group undertakings, the directors believe that an analysis using Key Performance Indicators is not necessary

The directors are satisfied with the performance of the company and its financial position at the balance sheet date. The results and dividend section below and the profit and loss account on page 7 show the results for the financial year and the balance sheet on page 8 of the financial statements shows the company's financial position at the end of the year

#### **Future outlook**

The directors expect that the present level of activity will be sustained for the foreseeable future

#### **Principal risks and uncertainties**

The key business risks and uncertainties affecting the company are considered to relate to interest rate risk and liquidity risk

#### **Financial risk management**

The company's operations expose it to a variety of financial risks that include the effects of changes in liquidity risk and interest rate risk

##### *Liquidity risk*

The company is funded within the Johnson & Johnson group of companies. Its funding requirements are reviewed regularly by both the board of directors and the treasury department of Johnson & Johnson to ensure the company has sufficient available funds for operations and planned expansions

##### *Interest rate cash flow risk*

The company has interest bearing assets that earn interest at variable rate. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature

#### **Results and dividends**

The profit and loss account for the financial year is set out on page 7

The company's profit for the financial year is £4,164,315 (2011: £4,035,294). The directors do not recommend payment of a dividend for the year (2011: £nil). There are no proposed dividends awaiting approval at the balance sheet date (2011: £nil).

#### **Qualifying third party indemnity provisions**

At the time the report is approved there are no qualifying third party indemnity provisions in place for the benefit of one or more of the directors

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## **DePuy International (Holdings) Limited**

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### **Directors' report For the year ended 30 December 2012**

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#### **Directors**

The directors who held office during the year and up to the date of signing the financial statements, unless otherwise stated are given below

BG Armstrong  
AA Faber

#### **Policy and practice on payment of creditors**

The company's policy in respect of its creditors is to settle the terms of payment with those creditors when agreeing the terms of each transaction

#### **Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Disclosure of information to auditors**

All directors in office at the time the report is approved confirm

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Each director has taken all the steps that he/she ought to have taken in his/her duty as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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**DePuy International (Holdings) Limited**

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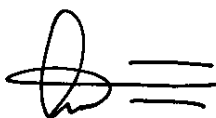
**Directors' report**  
**For the year ended 30 December 2012**

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**Independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting

This report was approved by the board and signed on its behalf



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AA Faber  
Director

Date 10/9/13

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**Independent auditors' report to the members of DePuy International (Holdings) Limited**

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We have audited the financial statements of DePuy International (Holdings) Limited for the year ended 30 December 2012 which comprise the profit and loss account, the balance sheet, and the related notes. 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).

**Respective responsibilities of directors and auditors**

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

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.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 December 2012 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.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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**DePuy International (Holdings) Limited**

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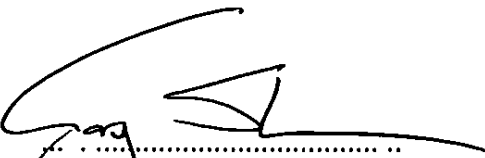
**Independent auditors' report to the members of DePuy International (Holdings) Limited**

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

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

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



.....  
Gary Shaw (Senior statutory auditor)

for and on behalf of  
PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Benson House  
33 Wellington Street  
Leeds  
LS1 4JP

Date 11/9/13.

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**DePuy International (Holdings) Limited**

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**Profit and loss account**  
**For the year ended 30 December 2012**

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	Note	Year ended 30 December 2012 £	Year ended 1 January 2012 £
Interest receivable and similar income	5	5,625,000	5,625,000
<b>Profit on ordinary activities before taxation</b>		<b>5,625,000</b>	<b>5,625,000</b>
Tax on profit on ordinary activities	6	(1,460,685)	(1,589,706)
<b>Profit for the financial years</b>	10	<b>4,164,315</b>	<b>4,035,294</b>

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial years stated above, and their historical cost equivalents

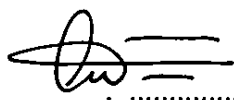
All results are derived from continuing operations

The company has no recognised gains and losses other than the results above and therefore no separate statement of total recognised gains and losses has been presented

**Balance sheet**  
**As at 30 December 2012**

	Note	30 December 2012 £	1 January 2012 £
<b>Current assets</b>			
Debtors	7	205,192,127	199,567,127
<b>Creditors</b> amounts falling due within one year	8	<u>(26,385,705)</u>	<u>(24,925,020)</u>
<b>Net current assets</b>		<b>178,806,422</b>	<b>174,642,107</b>
<b>Net assets</b>		<b>178,806,422</b>	<b>174,642,107</b>
<b>Capital and reserves</b>			
Called up share capital	9	100,001,000	100,001,000
Profit and loss account	10	<u>78,805,422</u>	<u>74,641,107</u>
<b>Total shareholders' funds</b>	11	<b>178,806,422</b>	<b>174,642,107</b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by



AA Faber  
Director

Date 10/9/13

The notes on pages 9 to 12 form part of these financial statements

**Notes to the financial statements**  
**For the year ended 30 December 2012**

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**1. Principal accounting policies**

**Accounting period**

The accounting year ended 30 December 2012 consists of 52 weeks. For the purposes of these financial statements the year is referred to as 2012. The accounting period ended 1 January 2012 is referred to as 2011.

**Basis of preparation**

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies which have been consistently applied throughout the year are set out below.

**Dividends**

Dividends received from subsidiary undertakings are accounted for when received. Dividends paid are accounted for in the year when they are paid.

**Cash flow statement**

The company is a wholly owned subsidiary of Johnson & Johnson and the cash flows of the company are included in the consolidated financial statements of Johnson & Johnson which are publicly available. Consequently the company is exempt under the terms of FRS 1 (revised 1996) from preparing a cash flow statement.

**Related party transactions**

The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS8, 'Related Party Disclosures', on the grounds that it is a wholly owned subsidiary of a group headed by Johnson & Johnson, whose financial statements are publicly available.

**2. Operating loss**

Fees payable for the audit of the company have been borne by other Johnson & Johnson group companies.

**3. Directors' emoluments**

The directors during the year were primarily employed by other companies in the Johnson & Johnson group and their remuneration has been borne by those companies (2011: £nil).

**4. Employee information**

The company did not have any employees during either the current or prior year.

**5. Interest receivable and similar income**

	Year ended 30 December 2012 £	Year ended 1 January 2012 £
Interest receivable from group undertakings	5,625,000	5,625,000

**Notes to the financial statements**  
**For the year ended 30 December 2012**

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**6 Tax on profit on ordinary activities**

	Year ended 30 December 2012 £	Year ended 1 January 2012 £
<b>Analysis of tax charge in the year</b>		
UK corporation tax charge for the year	1,460,685	1,490,625
UK corporation tax on transfer pricing adjustment	-	99,081
<b>Total current tax on profit on ordinary activities</b>	<b>1,460,685</b>	<b>1,589,706</b>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher (2011 higher) than the standard rate of corporation tax in the UK of 24.5% (2011 26.5%). The differences are explained below

	Year ended 30 December 2012 £	Year ended 1 January 2012 £
Profit on ordinary activities before taxation	5,625,000	5,625,000
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 26.5%)	1,378,125	1,490,625
<b>Effects of</b>		
Transfer pricing adjustment	82,560	99,081
<b>Total current tax charge for the year (see note above)</b>	<b>1,460,685</b>	<b>1,589,706</b>

**Factors affecting current and future tax charges**

The standard rate of Corporation Tax in the UK changed from 26% to 24% with effect from 1 April 2012. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 24.5%.

On 3 July 2012 a change in the UK main corporation tax rate to 23% was substantively enacted to be in effect from 1 April 2013.

A further 2% reduction in the UK main corporation tax rate to 21% was announced in the Autumn Statement. This is to be effective from 1 April 2014. The further reduction had not been substantively enacted at the balance sheet date and, therefore, is not recognised in these financial statements.

**Deferred tax**

As at 30 December 2012 the company had no deferred tax asset or liability (2011 £nil).

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**DePuy International (Holdings) Limited**

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**Notes to the financial statements**  
**For the year ended 30 December 2012**

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**7 Debtors**

	<b>30 December 2012 £</b>	<b>1 January 2012 £</b>
<b>Amounts falling due within one year</b>		
Amounts owed by group undertakings	<b>80,192,127</b>	74,567,127
Loan to fellow group undertaking	<b>125,000,000</b>	125,000,000
	<b>205,192,127</b>	<b>199,567,127</b>

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment

The £125,000,000 loan is with Johnson & Johnson Management Limited and is unsecured and repayable on demand. The rate of interest payable on the loan is the average LIBOR rate plus 0.25% per annum.

**8 Creditors: Amounts falling due within one year**

	<b>30 December 2012 £</b>	<b>1 January 2012 £</b>
Amounts owed to group undertakings	<b>25,614,198</b>	24,080,434
Corporation tax	<b>771,507</b>	844,586
	<b>26,385,705</b>	<b>24,925,020</b>

Amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment

**9 Called up share capital**

	<b>30 December 2012 £</b>	<b>1 January 2012 £</b>
<b>Allotted, called up and fully paid</b>		
100,001,000 ordinary shares of £1 each	<b>100,001,000</b>	100,001,000

**10. Reserves**

	<b>Profit and loss account £</b>
At 2 January 2012	<b>74,641,107</b>
Profit for the financial year	<b>4,164,315</b>
At 30 December 2012	<b>78,805,422</b>

**Notes to the financial statements**  
**For the year ended 30 December 2012**

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**11 Reconciliation of movement in shareholders' funds**

	<b>30 December 2012 £</b>	<b>1 January 2012 £</b>
Opening shareholders' funds	<b>174,642,107</b>	170,606,813
Profit for the financial year (note 10)	<b>4,164,315</b>	4,035,294
Closing shareholders' funds	<b>178,806,422</b>	<b>174,642,107</b>

**12. Ultimate and immediate parent companies and controlling party**

The immediate parent company is DePuy UK Holdings Limited

The directors regard Johnson & Johnson, a company registered in the United States of America, as the ultimate parent company and ultimate controlling party. This is the smallest and largest group of which the company is a member and for which group financial statements are prepared. Copies of the consolidated financial statements may be obtained from Johnson & Johnson, One Johnson & Johnson Plaza, New Brunswick, New Jersey 08933, USA.