

Registered Number 00036822

**B Braun Sterilog (Yorkshire) Limited**  
**Annual report and financial statements**  
**for the year ended 31 December 2010**

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**B Braun Sterilog (Yorkshire) Limited**  
**Annual report and financial statements**  
**for the year ended 31 December 2010**  
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# **B Braun Sterilog (Yorkshire) Limited**

## **Directors and advisers**

### **Directors**

R Matthews

H Hux

### **Registered office**

Brookdale Road

Thornccliffe Park Est

Chapelton

Sheffield

South Yorkshire

S35 2PW

### **Independent auditors**

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

1 East Parade

Sheffield

S1 2ET

### **Bankers**

HSBC Bank plc

17 Church Street

Sheffield

S1 1HH

# **B Braun Sterilog (Yorkshire) Limited**

## **Directors' report for the year ended 31 December 2010**

The directors present their report and the audited financial statements of the company for the year ended 31 December 2010

### **Principal activities**

The company's principal activity during the year was the provision of decontamination services

### **Review of business and future developments**

The directors remain focused on addressing the current losses within the business and are currently implementing measures to ensure the long term sustainability of the business

### **Principal risks and uncertainties**

The directors consider that the effects of rising costs and structural changes within the NHS will continue to offer challenges and take this into account when planning for the future

### **Strategy**

The company provides decontamination services to its major customer. Contracts with its major customer tend to be of at least fifteen years in duration

### **Results and dividends**

The profit and loss account for the year is set out on page 6. The directors do not propose the payment of a final dividend (2009 £nil)

### **Directors**

The directors of the company who were in office during the year and up to the date of the signing of the financial statements are given below

H Hux

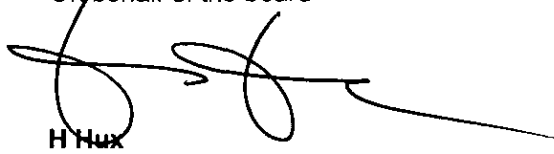
R Matthews

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

### **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

On behalf of the board



H Hux  
Director  
10 March 2011

# **B Braun Sterilog (Yorkshire) Limited**

## **Statement of directors' responsibilities**

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

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


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

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

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

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Relevant information is defined as information needed by the company's auditors in connection with preparing their report. Each director has taken all the steps (such as making enquiries of other directors and the auditors and any other steps required by the director's duty to exercise due care, skill and diligence) that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board,



H. Hux  
Director  
10<sup>th</sup> March 2011

# **B Braun Sterilog (Yorkshire) Limited**

## **Independent auditors' report to the members of B Braun Sterilog (Yorkshire) Limited**

We have audited the financial statements of B Braun Sterilog (Yorkshire) Limited for the year ended 31 December 2010 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet, the statement of accounting policies 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 4 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.

### **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 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

## **B Braun Sterilog (Yorkshire) Limited**

### **Independent auditors' report to the members of B Braun Sterilog (Yorkshire) Limited (continued)**

#### **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



**Joanna Allen (Senior Statutory Auditor)**

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Sheffield

10 March 2011

## B Braun Sterilog (Yorkshire) Limited

### Profit and loss account for the year ended 31 December 2010

	Note	2010 £'000	2009 £'000
Turnover	1	7,027	6,982
Cost of sales		(8,129)	(7,979)
Gross loss		(1,102)	(997)
Net operating expenses	2	(57)	(97)
Operating loss	5	(1,159)	(1,094)
Interest payable and similar charges	6	(155)	(259)
Interest receivable and similar income	7	-	4
Loss on ordinary activities before taxation		(1,314)	(1,349)
Tax on loss on ordinary activities	8	(27)	531
Loss for the financial year	13	(1,341)	(818)

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

There is no difference between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents

## **B Braun Sterilog (Yorkshire) Limited**

### **Statement of total recognised gains and losses for the year ended 31 December 2010**

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Loss for the financial year	<b>(1,341)</b>	(818)
Actuarial loss on pension scheme	<b>38</b>	(134)
Movement on deferred tax relating to pension liability	<b>(9)</b>	20
Current tax deductions allocated to actuarial losses	-	17
<b>Total recognised losses relating to the year</b>	<b>(1,312)</b>	(915)

# B Braun Sterilog (Yorkshire) Limited

## Balance sheet as at 31 December 2010

Registration Number 00036822

	Note	2010 £'000	2009 £'000
<b>Fixed assets</b>			
Tangible assets	9	8,256	8,906
<b>Current assets</b>			
Debtors	10	5,397	5,231
Cash		2	2
		<b>5,399</b>	<b>5,233</b>
<b>Creditors amounts falling due within one year</b>	11	<b>(17,563)</b>	<b>(16,711)</b>
<b>Net current liabilities</b>		<b>(12,164)</b>	<b>(11,478)</b>
<b>Total assets less current liabilities</b>		<b>(3,908)</b>	<b>(2,572)</b>
Pension asset/(liability)	16	1	(23)
<b>Net liabilities including pension asset/(liability)</b>		<b>(3,907)</b>	<b>(2,595)</b>
<b>Capital and reserves</b>			
Called up share capital	12	2,000	2,000
Profit and loss account	13	(5,907)	(4,595)
<b>Total shareholders' deficit</b>	14	<b>(3,907)</b>	<b>(2,595)</b>

The financial statements on pages 6 to 24 were approved by the board of directors on 10<sup>th</sup> March 2011 and signed on its behalf by



**R Matthews**  
Director

# **B Braun Sterilog (Yorkshire) Limited**

## **Statement of accounting policies**

### **Basis of accounting**

These financial statements are prepared 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 are set out below.

### **Going concern**

The company's balance sheet shows that it had net current liabilities at 31 December 2010 of £12,164,000 (2009 £11,478,000). The directors have prepared forecasts of profit and cash flow that indicate that the company will be profitable and generate cash inflows. On this basis, the financial statements have been prepared on a going concern basis which also takes into account the continued financial support of B Braun Melsungen AG. B Braun Melsungen AG has confirmed that support will be forthcoming for the foreseeable future.

### **Turnover**

Turnover represents the invoiced value of goods and services supplied, excluding value added tax and trade discounts. Under normal circumstances, turnover is recognised upon despatch of the decontaminated equipment to third parties, in accordance with the terms and conditions of the service agreements.

### **Tangible fixed assets**

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition, including capitalised labour costs where appropriate.

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

Freehold buildings	2-3%
Plant and machinery	10%
Fixtures and fittings	10-33%

Freehold land is not depreciated.

### **Impairment reviews**

Impairment reviews are performed by the directors when there has been an indication of potential impairment. Impairment reviews are performed based on the forecast discounted cash flows of the company, covering a period commensurate with the length of the contracts they have entered into. The cash flow forecasts assume a growth rate consistent with approved budgets and management's long term expectations for the business.

### **Operating leases**

Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit and loss account on a straight line basis over the period of the lease.

### **Provisions**

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

## **B Braun Sterilog (Yorkshire) Limited**

### **Statement of accounting policies (continued)**

#### **Pensions**

The company operates two separate pension schemes. One 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 is funded by contributions partly from the employees and partly from the company at rates determined by independent actuaries.

Pension scheme assets are measured using market value, where this market value is the 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 scheme expected to arise from employee service in the year is charged to operating profit. The expected return on the scheme's assets and the increase during the year 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 total recognised gains and losses.

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. This scheme is administered by Scottish Widows plc and is open to new members.

Costs of defined contribution schemes represent the amounts payable in the year.

Further details are set out in note 16.

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

#### **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 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.

#### **Related party transactions**

In accordance with the exemption allowed by FRS 8 "Related Party Transactions", transactions with entities that are part of the B Braun Melsungen AG group are not disclosed.

#### **Exemption from the obligation to prepare a cash flow statement**

The company is a wholly-owned subsidiary of B Braun Melsungen AG and the results and cash flows of the company are included in the consolidated financial statements of that company. Accordingly, the company has chosen to take the exemption under FRS 1 (revised 1996) "Cash Flow Statements" from preparing a cash flow statement.

## B Braun Sterilog (Yorkshire) Limited

### Notes to the financial statements for the year ended 31 December 2010

#### 1 Turnover

The company's turnover and operating loss relate entirely to its principal activity and arise in the United Kingdom

#### 2 Net operating expenses

	2010 £'000	2009 £'000
Selling expenses	57	83
Administrative expenses	-	14
	57	97

#### 3 Employee information

	2010 £'000	2009 £'000
Wages and salaries	4,646	4,602
Social security costs	363	401
Other pension costs (note 16)	221	149
	5,230	5,152

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

By activity	2010 Number	2009 Number
Production	197	237
Sales and administration	-	-
	197	237

## **B Braun Sterilog (Yorkshire) Limited**

### **Notes to the financial statements for the year ended 31 December 2010 (continued)**

#### **4 Directors' emoluments**

The emoluments of the directors are paid by other group companies. These directors also work for B Braun Medical Limited, an intermediate parent company and a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, the above details include no emoluments in respect of these directors. The total emoluments of the directors who are also directors of B Braun Medical Limited are included in the aggregate of directors' emoluments disclosed in the financial statements of B Braun Medical Limited. No recharge was made from the parent company in respect of these emoluments during the year.

#### **5 Operating loss**

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Operating loss is stated after charging		
Depreciation charge for the year		
- owned assets	<b>663</b>	656
Hire of plant and machinery – operating leases	<b>131</b>	119

The auditors remuneration is paid by the immediate parent company B Braun Sterilog Limited

#### **6 Interest payable and similar charges**

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
On bank loans and overdrafts	<b>4</b>	-
Group interest payable	<b>148</b>	248
Other finance costs	<b>3</b>	11
	<b>155</b>	259

## B Braun Sterilog (Yorkshire) Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 7 Interest receivable and similar income

	2010	2009
	£'000	£'000
Group interest receivable	-	4

#### 8 Tax on loss on ordinary activities

	2010	2009
	£'000	£'000
Current tax		
UK corporation tax on losses of the year	(190)	(463)
Adjustments in respect of previous periods	(309)	(114)
<b>Total current tax</b>	<b>(499)</b>	<b>(577)</b>
Deferred tax		
Origination and reversal of timing differences	526	46
<b>Total deferred tax (note 10)</b>	<b>526</b>	<b>46</b>
<b>Tax on loss on ordinary activities</b>	<b>27</b>	<b>(531)</b>

## B Braun Sterilog (Yorkshire) Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 8 Tax on loss on ordinary activities (continued)

The current tax credit for the year is higher (2009 higher) than the standard rate of corporation tax in the UK (28%). The differences are explained below

	2010 £'000	2009 £'000
<b>Loss on ordinary activities before tax</b>	<b>(1,314)</b>	<b>(1,349)</b>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 28%)	<b>(368)</b>	<b>(378)</b>
Effects of		
Expenses not deductible for tax purposes	<b>56</b>	<b>47</b>
Accelerated capital allowances and other timing differences	<b>95</b>	<b>(132)</b>
Group relief surrendered not paid	<b>17</b>	<b>-</b>
Pension movements in the Statement of Recognised Gains and Losses	<b>10</b>	<b>-</b>
Adjustments in respect of previous periods	<b>(309)</b>	<b>(114)</b>
<b>Current tax credit for the year</b>	<b>(499)</b>	<b>(577)</b>

The adjustments in respect of previous periods principally relate to payments received for group relief

## B Braun Sterilog (Yorkshire) Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 9 Tangible assets

	Freehold Land & buildings	Plant and machinery	Fixtures and fittings	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 1 January 2010	7,132	1,823	1,422	10,377
Additions	13	-	-	13
<b>At 31 December 2010</b>	<b>7,145</b>	<b>1,823</b>	<b>1,422</b>	<b>10,390</b>
<b>Accumulated depreciation</b>				
At 1 January 2010	805	478	188	1,471
Charge for the year	357	220	86	663
<b>At 31 December 2010</b>	<b>1,162</b>	<b>698</b>	<b>274</b>	<b>2,134</b>
<b>Net book amount</b>				
<b>At 31 December 2010</b>	<b>5,983</b>	<b>1,125</b>	<b>1,148</b>	<b>8,256</b>
At 31 December 2009	6,327	1,345	1,234	8,906

The directors believe that the book value of tangible fixed assets is supported by the discounted future cash flows of the company

#### 10 Debtors

	2010	2009
	£'000	£'000
Trade debtors	2,133	1,119
Amounts owed by group undertakings	2,581	2,621
Other debtors	8	21
Deferred tax	-	526
Prepayments and accrued income	675	944
	<b>5,397</b>	<b>5,231</b>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand

## B Braun Sterilog (Yorkshire) Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 10 Debtors (continued)

##### Deferred taxation

The deferred tax asset recognised in the financial statements is analysed as follows

	£'000	£'000
At 1 January 2010		
Deferred tax asset due to accelerated capital allowances and short term timing differences	(526)	
Deferred tax asset on the pension liability	(9)	
		(535)
Deferred tax charge in profit and loss account		526
Deferred tax credit to the statement of total recognised gains and losses		9
At 31 December 2010		-
Deferred tax asset due to accelerated capital allowances and short term timing differences	-	
Deferred tax asset on the pension liability	-	
		-
	2010	2009
	£'000	£'000
<b>Tax effect of timing differences because of</b>		
Capital allowances in excess of depreciation	-	404
Other timing differences	-	(930)
Deferred tax excluding that relating to pension liability	-	(526)
Deferred tax asset relating to the pension scheme (note 16)	-	(9)
<b>Total deferred tax</b>	-	(535)

## B Braun Sterilog (Yorkshire) Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 11 Creditors: amounts falling due within one year

	2010 £'000	2009 £'000
Trade creditors	144	94
Amounts owed to group undertakings	16,450	16,240
Other creditors	22	38
Other taxation and social security payable	391	267
Accruals	556	72
	<b>17,563</b>	<b>16,711</b>

Amounts owed to group undertakings in respect of trade are unsecured and repayable upon demand. Loan balances owed to group undertakings are unsecured and interest is payable at LIBOR plus 1.0% (2009: LIBOR plus 0.7%).

#### 12 Called up share capital

	Authorised		Allotted	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Ordinary shares of £1 each	5,000	5,000	2,000	2,000

## B Braun Sterilog (Yorkshire) Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 13 Profit and loss account

	Profit and loss reserve
	£'000
At 1 January 2010	(4,595)
Loss for the financial year	(1,341)
Actuarial loss on pension scheme	38
Movement on deferred tax relating to pension liability	(9)
<b>At 31 December 2010</b>	<b>(5,907)</b>

#### 14 Reconciliation of movements in equity shareholders' deficit

	2010 £'000	2009 £'000
Loss for the financial year	(1,341)	(818)
Actuarial loss on pension scheme	38	(134)
Movement on deferred tax relating to pension scheme	(9)	20
Current tax deductions allocated to actuarial losses	-	17
Net deduction from shareholders' deficit	(1,312)	(915)
Opening shareholders' deficit	(2,595)	(1,680)
Closing shareholders' deficit	(3,907)	(2,595)

## B Braun Sterilog (Yorkshire) Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 15 Financial commitments

At 31 December 2010 the company had annual commitments under non-cancellable operating leases expiring as follows

	2010	Other 2009
	£'000	£'000
Within one year	16	-
Between one and five years	60	
Greater than five years	56	76
	132	76

#### 16 Pension commitments

The company operates a funded defined benefit pension scheme, the assets of which are held separately from those of the company in independently administered funds

The company also operates a defined contribution scheme, which is administered by Scottish Widows plc

The total pension cost for the year was £221,000 (2009 £149,000) This included £8,000 (2009 £12,000) of contributions to the defined contribution scheme

##### Defined benefit scheme

A full actuarial valuation was carried out at 31 December 2010 by qualified independent actuaries. The major assumptions used by the actuary as 31 December 2010 were

	31 December 2010	31 December 2009
Inflation assumption	3.3%	3.5%
Rate of increase in salaries	4.3%	4.5%
Discount rate	5.3%	5.5%
Rate of increase in pensions in payment	3.3%	3.5%

## B Braun Sterilog (Yorkshire) Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 16 Pension commitments (continued)

The mortality assumptions used were as follows

	2010 years	2009 years
Male member aged 65 (current life expectancy)	21.3	20.3
Male member aged 40 (life expectancy at age 65)	22.5	21.4

The assets in the scheme and the expected rate of return were

	Long term expected rate of return 31 December 2010	Value as at 31 December 2010 £'000	Long term expected rate of return 31 December 2009	Value as at 31 December 2009 £'000
Equity securities	7.3%	498	7.6%	306
Other	3.8%	299	4.1%	150
		797		456

## B Braun Sterilog (Yorkshire) Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 16 Pension commitments (continued)

The following amounts at 31 December 2010 were measured in accordance with the requirements of FRS 17 "Retirement benefits"

<b>Pension liability</b>	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Total market value of assets	797	456
Present value of scheme liabilities	(796)	(488)
<b>Surplus/(deficit) in the scheme</b>	<b>1</b>	<b>(32)</b>
Related deferred tax asset	-	9
<b>Net pension liability</b>	<b>1</b>	<b>(23)</b>

<b>Reconciliation of present value of scheme liabilities</b>	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
At 1 January 2010	488	161
Current service cost	213	137
Interest cost	41	20
Plan participants' contributions	52	51
Actuarial losses	11	185
Benefits paid	(9)	(66)
<b>At 31 December 2010</b>	<b>796</b>	<b>488</b>

## B Braun Sterilog (Yorkshire) Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 16 Pension commitments (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 19.8%
Discount rate	Decrease by 1%	Increase by 25.1%
Inflation rate	Increase by 1%	Increase by 25.3%
Inflation rate	Decrease by 1%	Decrease by 20.1%
Mortality	Increase by 1 year	Decrease by 1.8%
Mortality	Decrease by 1 year	Increase by 1.8%

Reconciliation of present value of scheme assets	2010 £'000	2009 £'000
At 1 January 2010	457	202
Expected return on plan assets	38	11
Actuarial gains on plan assets	49	51
Employer contributions	210	207
Member contributions	52	51
Benefits paid from plan	(9)	(66)
<b>At 31 December 2010</b>	<b>797</b>	<b>456</b>

Scheme assets do not include any of the financial assets of B Braun Sterilog (Yorkshire) Limited or any property occupied by B Braun Sterilog (Yorkshire) Limited

The expected return on scheme assets is determined by considering the asset classes held and assuming rates of return consistent with current yields as well as long term equity out-performance over gilts of 3.5% per annum. A deduction of 0.5% per annum has also been made to the total rate of return to allow for administrative expenses. The actual return on scheme assets in the year was £87,000 (2009: £62,000)

## B Braun Sterilog (Yorkshire) Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 16 Pension commitments (continued)

The following amounts are recognised in the performance statements in the year to 31 December 2010 under the requirements of FRS 17 "Retirement benefits"

	2010 £'000	2009 £'000
<b>Operating loss</b>		
Current service cost	213	137
<b>Other finance costs</b>		
Expected return on pension scheme assets	(38)	(11)
Interest on pension scheme liabilities	41	20
Net return – cost	3	9
<b>Statement of total recognised gains and losses</b>		
	2010 £'000	2009 £'000
Actual return less expected return on pension scheme assets	49	51
Changes in assumptions underlying the present value of the scheme liabilities	(11)	(185)
Actuarial gain/(loss)	38	(134)

## B Braun Sterilog (Yorkshire) Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 16 Pension commitments (continued)

##### Actuarial gains and losses

The cumulative amount of actuarial losses recognised in the statement of recognised gains and losses is £56,000 (2009 £94,000)

##### History of experience gains and losses

	2010	2009
<b>Difference between the expected and actual return on scheme assets</b>		
Amount (£'000)	49	51
Percentage of scheme assets	6.15%	11.18%
<b>Changes in assumptions underlying the liabilities</b>		
Amount (£'000)	(11)	(185)
Percentage of the present value of the scheme liabilities	(1.38%)	(37.90%)
<b>Total amount recognised in statement of total recognised gains and losses</b>		
Amount (£'000)	38	(134)
Percentage of the present value of the scheme liabilities	4.77%	(27.46%)

#### 17 Ultimate parent company

The immediate parent undertaking is B Braun Sterilog Limited

The ultimate parent undertaking and controlling party is B Braun Melsungen AG, a company incorporated in Germany. The consolidated financial statements of B Braun Melsungen AG (the smallest and largest group in which these results are consolidated) can be obtained from PO Box 110, D3508 Melsungen, Germany