

Statement of directors' responsibilities

The directors' confirm that this consolidated interim financial information has been prepared in accordance with IAS 34 as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

The directors of Consort Medical plc are listed in the Consort Medical plc Annual Report for the year ended 30 April 2012. A list of current directors is maintained on the Consort Medical plc website: www.consortmedical.com.

By order of the Board

Richard Cotton
Group Finance Director
4 December 2012

Independent review report to Consort Medical plc

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 October 2012, which comprises the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Shareholders' Equity and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, 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 review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 October 2012 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
Cambridge

4 December 2012

Notes:

- (a) The maintenance and integrity of the Consort Medical plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (a) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Consolidated Income Statement
For the period 1 May to 31 October 2012

	<i>Notes</i>	Unaudited 1 May to 31 October 2012	Unaudited 1 May to 31 October 2011	Audited 1 May 2011 to 30 April 2012
		£000	£000	£000
Revenue from products and services		69,927	68,762	136,580
Revenue from tooling and equipment		2,287	2,358	4,359
Revenue	2	72,214	71,120	140,939
Operating expenses		(62,281)	(58,680)	(120,548)
Operating profit before special items		11,541	11,183	21,537
Special items	3	(1,608)	1,257	(1,146)
Operating profit	2	9,933	12,440	20,391
Finance income		21	1	93
Finance costs		(1,118)	(1,241)	(2,958)
Other finance income	4	51	282	302
Profit before tax and special items		10,495	10,225	19,388
Special items	3	(1,608)	1,257	(1,560)
Profit before tax		8,887	11,482	17,828
Tax on profit before special items		(2,323)	(2,564)	(4,448)
Tax on special items	3	416	(219)	776
Tax	5	(1,907)	(2,783)	(3,672)
Profit for the period		6,980	8,699	14,156
Basic earnings per ordinary share	6	24.4p	30.3p	49.5p
Diluted earnings per ordinary share	6	23.3p	29.5p	47.9p
Non-GAAP measure:				
Adjusted profit before tax (£000)		10,495	10,225	19,338
Adjusted profit after tax (£000)	6	8,172	7,661	14,940
Adjusted basic earnings per ordinary share	6	28.5p	26.7p	52.2p
Adjusted diluted earnings per ordinary share	6	27.3p	25.9p	50.6p

Consolidated Statement of Comprehensive Income
For the period 1 May to 31 October 2012

	Unaudited	Unaudited	Audited
	1 May to 31	1 May to 31	1
<i>Notes</i>	October 2012	October	May 2011 to
	£000	2011	30 April 2012
		£000	£000
Profit for the period	6,980	8,699	14,156
Other comprehensive income			
Fair value movements on cash flow hedges (net of tax)	59	(243)	(143)
Currency translation differences (net of tax)	370	1,225	843
Actuarial (loss) / gain on defined benefit pension scheme (net of tax)	12 (1,085)	2,144	816
Impact of change in tax rates	(141)	(93)	(234)
Other comprehensive (loss) / income for the period	(797)	3,033	1,282
Total comprehensive income for the period	6,183	11,732	15,438

Consolidated Balance Sheet
At 31 October 2012

	<i>Notes</i>	Unaudited 31 October 2012 £000	Unaudited 31 October 2011 £000	Audited 30 April 2012 £000
Assets				
Non-current assets				
Property, plant and equipment	8	59,563	54,858	56,590
Goodwill		60,008	59,853	59,593
Other intangible assets		12,205	13,658	12,713
Investments		2,548	2,548	2,548
		134,324	130,917	131,444
Current assets				
Inventories		16,636	17,331	17,220
Trade and other receivables		22,272	19,976	18,356
Derivative financial instruments		16	-	95
Current tax receivable		590	537	992
Cash and cash equivalents		12,319	8,494	14,685
		51,833	46,338	51,348
Liabilities				
Current liabilities				
Borrowings		(3)	(4,004)	(4,003)
Loan notes		-	(20)	-
Trade and other payables	9	(22,120)	(20,368)	(22,965)
Derivative financial instruments		(462)	(674)	(539)
Current tax payable		(3,477)	(3,096)	(2,015)
Provisions for other liabilities and charges		(2,900)	(3,399)	(2,240)
		(28,962)	(31,561)	(31,762)
Net current assets		22,871	14,777	19,586
Non-current liabilities				
Borrowings		(50,843)	(47,049)	(48,335)
Deferred tax liabilities		(6,212)	(7,533)	(7,545)
Defined benefit pension scheme deficit	12	(4,779)	(2,094)	(3,367)
Provisions for other liabilities and charges		(507)	(1,600)	(1,500)
		(62,341)	(58,276)	(60,747)
Net assets		94,854	87,418	90,283
Shareholders' equity				
Share capital		2,919	2,895	2,901
Share premium		33,363	32,392	32,667
Retained earnings		57,437	51,143	54,009
Other reserves		1,135	988	706
Total equity		94,854	87,418	90,283

Consolidated Cash Flow Statement
For the period 1 May to 31 October 2012

	Notes	Unaudited 1 May to 31 October 2012 £000	Unaudited 1 May to 31 October 2011 £000	Audited 1 May 2011 to 30 April 2012 £000
Cash flows from operating activities				
Profit before taxation		8,887	11,482	17,828
Finance income		(21)	(1)	(93)
Finance costs		1,118	1,241	2,958
Other finance income		(51)	(282)	(302)
Operating profit		9,933	12,440	20,391
Depreciation		3,549	3,058	6,486
Amortisation		1,171	1,194	2,521
(Profit) / loss on disposal of property, plant and equipment		(30)	(1)	176
Impairment expense / (credit)		5	(459)	(750)
Share based payments		756	473	1,169
Decrease / (increase) in inventories		650	(1,882)	(1,839)
Increase in trade and other receivables		(3,857)	(1,984)	(276)
(Decrease) / increase in trade and other payables		(1,661)	(1,204)	538
Decrease in provisions		(318)	(2,160)	(3,813)
Increase / (decrease) in financial instruments		79	64	(26)
Cash generated from operations		10,277	9,539	24,577
Interest paid		(1,377)	(1,242)	(2,464)
Tax paid		(855)	(1,706)	(3,687)
Net cash inflow from operating activities		8,045	6,591	18,426
Cash flows from investing activities				
Purchases of property, plant and equipment		(5,745)	(7,139)	(11,468)
Purchases of intangible assets		(615)	(193)	(578)
Proceeds from sale of property, plant and equipment		270	6	26
Interest received		21	107	90
Purchase of equity investment		-	(1,447)	(1,447)
Net cash used in investing activities		(6,069)	(8,666)	(13,377)
Cash flows from financing activities				
Proceeds from issue of ordinary share capital		714	7	288
Purchase of own shares		-	(1,000)	(1,000)
Equity dividends paid to shareholders	7	(3,483)	(3,474)	(5,472)
Proceeds from new bank funding		3,000	10,971	14,144
Repayment of amounts borrowed		(4,000)	(1,864)	(4,020)
Finance lease payments		-	(7)	(8)
Upfront loan facility fees		(842)	-	-
Payments to fund defined benefit pension scheme deficit		-	(1,428)	(1,904)
Net cash (used in) / from financing activities		(4,611)	3,205	2,028
Net (decrease) / increase in cash	11	(2,635)	1,130	7,077
Effects of exchange rate changes		269	153	397
Cash at start of the period		14,685	7,211	7,211
Cash at the end of the period		12,319	8,494	14,685

Consolidated Statement of Changes in Shareholders' Equity

	Attributable to equity holders of the Company					
	Share capital	Share premium	Retained earnings	Other reserves		Total equity
				Cash flow hedge reserve	Translation reserve	
£000	£000	£000	£000	£000	£000	
Balance at 1 May 2011 (audited)	2,895	32,385	44,332	(251)	257	79,618
Profit for the financial period	-	-	8,699	-	-	8,699
Other comprehensive income / (loss) for the financial period	-	-	2,051	(243)	1,225	3,033
Total comprehensive income / (loss) for the financial period	-	-	10,750	(243)	1,225	11,732
Recognition of share-based payments	-	-	473	-	-	473
Proceeds from exercise of share options	-	7	-	-	-	7
Movement on tax arising on share-based payments	-	-	62	-	-	62
Consideration paid for purchase of own shares (held in trust)	-	-	(1,000)	-	-	(1,000)
Equity dividends	-	-	(3,474)	-	-	(3,474)
	-	7	(3,939)	-	-	(3,932)
Balance at 31 October 2011 (unaudited)	2,895	32,392	51,143	(494)	1,482	87,418
Balance at 1 May 2011 (audited)	2,895	32,385	44,332	(251)	257	79,618
Profit for the financial year	-	-	14,156	-	-	14,156
Other comprehensive income / (loss) for the financial year	-	-	582	(143)	843	1,282
Total comprehensive income / (loss) for the financial year	-	-	14,738	(143)	843	15,438
Recognition of share-based payments	-	-	1,169	-	-	1,169
Proceeds from exercise of share options	6	282	-	-	-	288
Movement on tax arising on share-based payments	-	-	242	-	-	242
Consideration paid for purchase of own shares (held in trust)	-	-	(1,000)	-	-	(1,000)
Equity dividends	-	-	(5,472)	-	-	(5,472)
	6	282	(5,061)	-	-	(4,773)
Balance at 30 April 2012 (audited)	2,901	32,667	54,009	(394)	1,100	90,283
Balance at 1 May 2012 (audited)	2,901	32,667	54,009	(394)	1,100	90,283
Profit for the financial period	-	-	6,980	-	-	6,980
Other comprehensive income / (loss) for the financial period	-	-	(1,226)	59	370	(797)
Total comprehensive income for the financial period	-	-	5,754	59	370	6,183
Recognition of share-based payments	-	-	756	-	-	756
Movement on tax arising on share-based payments	-	-	401	-	-	401
Proceeds from exercise of employee share options	18	696	-	-	-	714
Consideration paid for purchase of own shares (held in trust)	-	-	-	-	-	-
Equity dividends	-	-	(3,483)	-	-	(3,483)
	18	696	(2,326)	-	-	(1,612)
Balance at 31 October 2012 (unaudited)	2,919	33,363	57,437	(335)	1,470	94,854

Notes to the Interim Accounts

1 Basis of preparation

The Company is a public limited company incorporated and domiciled in the UK. The address of its registered office is Breakspear Park, Breakspear Way, Hemel Hempstead, Herts HP2 4TZ. The Company is listed on the London Stock Exchange.

This condensed consolidated interim financial information was approved for issue on 4 December 2012.

This condensed consolidated interim financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 30 April 2012 were approved by the Board of directors on 13 June 2012 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

This condensed consolidated interim financial information has been reviewed, not audited.

This condensed consolidated interim financial information for the six months ended 31 October 2012 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with IAS 34, 'Interim financial reporting', as adopted by the European Union. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 30 April 2012, which have been prepared in accordance with IFRSs as adopted by the European Union.

Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2012, as described in those annual financial statements. Taxes on income in the interim periods are accrued using the estimated tax rate that would be applicable to expected total annual earnings.

There are no new standards, amendments to standards or interpretations that are effective for the financial year beginning 1 May 2012 that are relevant to the Group. A full list of new standards in issue but not yet effective will appear in the Group's annual financial statements for the year ending 30 April 2013.

Critical accounting estimates and judgements

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 30 April 2012.

Going concern

The directors have, at the time of approving the interim financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the interim financial statements.

Non-GAAP performance measures

The directors believe that the "adjusted" profit and earnings per share measures provide additional useful information for shareholders on the underlying performance of the business. These measures are consistent with how business performance is measured internally. The adjusted profit before tax measure is not a recognised profit measure under IFRS and may not be directly comparable with "adjusted" profit measures used by other companies.

EBITDA comprises operating profit before depreciation, amortisation, profit or loss on disposal of property, plant and equipment and impairment credits or charges.

Notes to the Interim Accounts

2. Segmental information

The Group's chief operating decision maker is considered to be the Executive Committee. This committee is responsible for the executive management of the Group and comprises the Chief Executive, the Group Finance Director, the Corporate Development Director, the Group Director of Operations, the Company Secretary/General Counsel, the Managing Directors of the Group's businesses and the Director of Group Human Resources. This committee meets monthly to make decisions on operational and strategic matters other than those reserved for the Board. The committee is responsible for allocating resources and assessing performance of the operating segments.

The Group's operating segments are determined with reference to the information that is supplied to the Executive Committee in order for it to allocate the Group's resources and to monitor the performance of the Group. That information analyses the Group between its two divisions, Bepak and King Systems. Bepak is the drug delivery device division, a market leader in the supply of valves and other devices for respiratory applications and autoinjectors and other devices to global pharmaceutical and diagnostics companies. King Systems is a leading supplier of life-saving patient care solutions to the anaesthesia market including breathing circuits, face masks and other disposable airway management and airway visualisation products.

The Executive Committee assesses the performance of the operating segments based on a measure of adjusted operating profit. This measurement basis excludes the effects of special items from the operating segments. Net assets exclude taxation, net debt and investments, which are managed on a central basis. These are part of the reconciliation to total net assets. Transactions between operating segments are at arm's length and are eliminated as part of the reconciliation to the Group's results and financial position.

The segment information provided to the Executive Committee for the reportable segments for the period ended 31 October 2012 is as follows:

(a) Revenue

	Unaudited	Unaudited	Audited
Revenue by business	1 May to 31 October 2012 £000	1 May to 31 October 2011 £000	1 May 2011 to 30 April 2012 £000
Revenue from products and services	48,081	47,858	93,477
Revenue from tooling and equipment	2,287	2,358	4,359
Bepak division (UK by origin)	50,368	50,216	97,836
King Systems division (US by origin)	21,951	21,033	43,286
Total revenues	72,319	71,249	141,122
Intra-segment revenues	(105)	(129)	(183)
Revenue	72,214	71,120	140,939

	Unaudited	Unaudited	Audited
Revenue by destination	1 May to 31 October 2012 £000	1 May to 31 October 2011 £000	1 May 2011 to 30 April 2012 £000
United Kingdom	8,561	12,609	24,496
United States of America	25,936	26,004	50,284
Europe	29,075	24,358	50,214
Rest of the World	8,642	8,149	15,945
Revenue	72,214	71,120	140,939

Notes to the Interim Accounts

2. Segmental information (continued)

(b) Operating profit

	Unaudited	Unaudited	Audited
	1 May to 31 October 2012 £000	1 May to 31 October 2011 £000	1 May 2011 to 30 April 2012 £000
Bespak division	10,158	9,330	18,245
King Systems division	1,383	1,853	3,292
Operating profit for reportable segments	11,541	11,183	21,537
Special items	(1,608)	1,257	(1,146)
Operating profit after special items	9,933	12,440	20,391

(c) Net assets

	Unaudited	Unaudited	Audited
Net assets by business segment	31 October 2012 £000	31 October 2011 £000	30 April 2012 £000
Bespak division	64,613	66,231	62,027
King Systems division	75,319	71,310	71,929
Total reportable segments	139,932	137,541	133,956
Investments	2,548	2,548	2,548
Taxation	(9,099)	(10,092)	(8,568)
Net debt	(38,527)	(42,579)	(37,653)
Net assets	94,854	87,418	90,283

	31 October 2012	31 October 2011	30 April 2012
Average rate of exchange - USD	1.59	1.60	1.59
Closing rate of exchange - USD	1.61	1.61	1.62

Notes to the Interim Accounts

3. Special items

	Unaudited	Unaudited	Audited
	1 May to 31 October 2012 £000	1 May to 31 October 2011 £000	1 May 2011 to 30 April 2012 £000
Exceptional operating expenses	(507)	2,321	1,050
Accelerated amortisation of upfront loan arrangement fees	-	-	(414)
Amortisation of acquired intangible assets	(1,101)	(1,064)	(2,196)
Special items before tax	(1,608)	1,257	(1,560)
Tax on special items	416	(219)	776
Special items after tax	(1,192)	1,038	(784)

Exceptional operating expenses in the period comprise a charge for an onerous lease provision within the Bepak division. Amortisation of acquired intangible assets represents the charge for other intangible assets acquired with King Systems and The Medical House.

4. Other finance income

	Unaudited	Unaudited	Audited
	1 May to 31 October 2012 £000	1 May to 31 October 2011 £000	1 May 2011 to 30 April 2012 £000
Expected return on defined benefit scheme assets	1,839	1,974	3,960
Interest cost on defined benefit scheme liabilities	(1,788)	(1,967)	(3,930)
Net interest income on defined benefit scheme	51	7	30
Unwinding of discount on provisions	-	275	272
	51	282	302

Notes to the Interim Accounts

5. Tax

	Unaudited	Unaudited	Audited
	1 May to 31 October 2012 £000	1 May to 31 October 2011 £000	1 May 2011 to 30 April 2012 £000
UK corporation tax	2,749	2,739	3,670
Overseas taxation	(15)	463	(20)
Deferred taxation	(827)	(419)	22
Income tax expense reported in the consolidated income statement	1,907	2,783	3,672
The tax charge is analysed between:			
Tax on profit before special items	2,323	2,564	4,448
Tax on special items	(416)	219	(776)
	1,907	2,783	3,672

The tax charge for the period ended 31 October 2012 is based on the estimated effective tax rate which will apply to earnings for the full year.

6. Earnings per share

	Unaudited	Unaudited	Audited
	1 May to 31 October 2012	1 May to 31 October 2011	1 May 2011 to 30 April 2012
The calculation of earnings per ordinary share is based on the following:			
Profit for the financial period (£000)	6,980	8,699	14,156
Add back: Special items after tax (£000)	1,192	(1,038)	784
Adjusted profit for the financial period (£000)	8,172	7,661	14,940
Weighted average number of shares in issue	29,069,825	28,946,863	28,956,961
Weighted average number of shares owned by Employee Share Ownership Trust	(411,044)	(244,673)	(330,708)
Average number of ordinary shares in issue for basic earnings	28,658,781	28,702,190	28,626,253
Dilutive impact of share options outstanding	1,325,756	822,959	919,982
Diluted weighted average number of ordinary shares in issue	29,984,537	29,525,149	29,546,235
Basic earnings per ordinary share	24.4p	30.3p	49.5p
Adjusted earnings per ordinary share	28.5p	26.7p	52.2p
Diluted earnings per ordinary share	23.3p	29.5p	47.9p
Adjusted diluted earnings per ordinary share	27.3p	25.9p	50.6p

Notes to the Interim Accounts

7. Dividends

	Unaudited	Unaudited	Audited
	31 October	31 October	30 April
	2012	2011	2012
	£000	£000	£000
Final dividend paid of 12.1p per share (2011: 12.1p)	3,483	3,474	3,474
Interim dividend paid of 7.0p per share (2011: 7.0p)	-	-	1,998
	3,483	3,474	5,472

The Directors have approved an interim dividend of 7.0p per share which, in line with the requirements of IAS 10, 'Events after the Balance Sheet Date', has not been recognised within these results. The interim dividend will be paid on 15 February 2013 to shareholders whose names are on the Register of Members at the close of business on 18 January 2013.

8. Capital expenditure

In the period there were additions to property, plant and equipment of £6.6 million (H1 FY2012: £5.5 million) and disposals of property, plant and equipment with a net book value of £0.2m (H1 FY2012: £nil).

Capital commitments contracted for but not provided for by the Group amounted to £0.8 million (H1 FY2012: £3.7 million).

9. Trade and other payables

	Unaudited	Unaudited	Audited
	31 October	31 October	30 April
	2012	2011	2012
	£000	£000	£000
Amounts falling due within one year:			
Trade payables	11,363	9,952	10,648
Other taxation and social security	776	594	531
Other creditors	2,985	2,980	3,265
Accruals and deferred income	6,996	6,842	8,521
	22,120	20,368	22,965

Notes to the Interim Accounts

10. Analysis of net debt

	Unaudited	Unaudited	Audited
	31 October	31 October	30 April
	2012	2011	2012
	£000	£000	£000
Cash and cash equivalents	12,319	8,494	14,685
Loan notes	-	(20)	-
Revolving loan (USD)	(36,685)	(33,455)	(36,335)
Revolving loan (GBP)	(15,000)	(10,000)	(10,000)
Term loan (GBP)	-	(8,000)	(6,000)
Finance leases	(3)	(4)	(3)
Unamortised loan arrangement costs	842	406	-
	(38,527)	(42,579)	(37,653)

Cash and cash equivalents comprise cash at bank and in hand plus short-term deposits.

On 1 June 2012, the Group cancelled its term loan and revolving credit facilities as part of a refinancing. On the same day, the Group signed a new \$56m multicurrency revolving facility and a £40m multicurrency revolving facility. The new facilities expire in November 2016 and have interest and covenant terms similar to the cancelled facilities.

11. Reconciliation of net cash flow to movement in net debt

	Unaudited	Unaudited	Audited
	31 October	31 October	30 April
	2012	2011	2012
	£000	£000	£000
Net debt at start of period	(37,653)	(33,755)	(33,755)
Cash flow for the period	(2,635)	1,130	7,077
Loan repayments included in cash flow for the period	4,000	2,000	4,020
Finance leases - capital repayments	-	7	8
Proceeds from new bank funding	(3,000)	(10,971)	(14,144)
Movement in unamortised loan arrangement fees	842	(136)	-
Effect of exchange rate changes	(81)	(854)	(859)
Net debt at end of the period	(38,527)	(42,579)	(37,653)

Notes to the Interim Accounts

12. Defined benefit pension scheme deficit

	Unaudited	Unaudited	Audited
	1 May to 31 October 2012	1 May to 31 October 2011	1 May 2011 to 30 April 2012
	Total	Total	Total
	£000	£000	£000
Pension deficit at start of period	3,367	6,405	6,405
Current service cost	537	556	1,033
Expected return on plan assets	(1,839)	(1,974)	(3,960)
Interest cost	1,788	1,967	3,930
Actuarial losses / (gains)	1,426	(2,898)	(1,099)
Regular employer contributions	(500)	(534)	(1,038)
Employer payments to fund deficit	-	(1,428)	(1,904)
Pension deficit at end of period	4,779	2,094	3,367

13. Related party transactions

The Group's significant related parties are its subsidiaries as disclosed in the Consort Medical plc annual report for the year ended 30 April 2012. There were no material related party transactions in the period or prior half-year period.

14. Principal risks and uncertainties

The principal risks and uncertainties which could impact the Group's long-term performance remain those detailed on pages 22 and 23 of the Group's 2012 Annual Report and Financial Statements, a copy of which is available on the Group's website www.consortmedical.com. The risks are summarised below:

- Product quality failure
- Reliance upon key customers
- Increasing cost pressures and commoditisation of markets
- Supply chain delay or interruption
- Delay to the transformation programme
- Regulatory risk
- Misallocation of capital
- Development risk
- Employee recruitment and retention
- Financial risks, including credit risk, interest rate risk, currency risk, liquidity risk and pension risk.

15. Post balance sheet events

There were no post balance sheet events.