

Martindale Pharmaceuticals Limited

Annual report and financial statements

for the year ending

30 June 2011

Registered number: 1073169

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COMPANIES HOUSE

Martindale Pharmaceuticals Limited

Registered Number 01073169

Directors

R de Souza
J Grover
T Engelen
M Sillitto
P Parry

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Registered Office

Bampton Road
Harold Hill
Romford
Essex
RM3 8UG

Bankers

HSBC PLC
60 Queen Victoria Street
London
EC4N 4TR

Directors' report

for the year ended 30 June 2011

The Directors present their annual report on the affairs of the Company together with the audited financial statements and the auditors report for the year ended 30 June 2011

Principal activities and business review

The Company does not trade and continues to operate as a holding company for businesses involved in pharmaceutical manufacture

Results and dividends

During the year the Company made a charge for impairment of investment in Martindale Pharma GmbH and incurred a loss for the year of £6.9million (2010: £14.9million)

Principal risks and uncertainties facing the company

As the Company has no trade, but acts as a holding company, the Directors consider the main risk is that of the performance of its investments and therefore their value. The Directors do not consider that the Company is subject to any other significant risks and uncertainties. The Directors monitor and manage the performance of subsidiary entities at group level.

The Directors consider that the use of key performance indicators is not appropriate to the understanding of the development, performance or position of the Company's business as a holding company.

Financial risk management

Due to the nature and size of the business the Directors consider that any financial risk is negligible.

Directors' indemnities

The Company maintains liability insurance for its directors and officers.

Post balance sheet event

On 1 August 2011 the Company disposed of the entire share capital of Martindale Pharma GmbH for a gross consideration of £5.6 million. Following an impairment of £6.9 million in respect of the value of its investment recognised in the period ended 30 June 2011, the profit on disposal to be recognised in the year ended 30 June 2012 is estimated at £nil.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

Directors

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

R de Souza	appointed 28 September 2010
J Grover	appointed 10 June 2011
M Sillitto	
T Engelen	
P Parry	appointed 6 August 2010
A Oades	resigned 13 July 2010

Directors' report

for the year ended 30 June 2011

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 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, 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 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 to 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.

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.

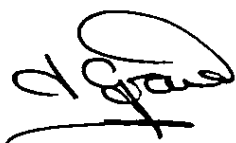
Disclosure of information to the auditors

As at the date of this report, as far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken such steps as he should have taken 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.

Auditors

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

Approved by the Board and signed on its behalf by



J Grover

Director

24 October 2011

Independent auditors' report

to the members of Martindale Pharmaceuticals Limited

We have audited the financial statements of Martindale Pharmaceuticals Limited for the year ended 30 June 2011 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 pages 2 and 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.

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 June 2011 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.

Independent auditors' report

to the members of Martindale Pharmaceuticals 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



Stephen Walton (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

24 October 2011

Profit and loss account

for the year ended 30 June 2011

	<i>Note</i>	<i>2011</i> <i>£000</i>	<i>2010</i> <i>£000</i>
Income from investment		-	126
Impairment of investments		(6,900)	(14,906)
Administrative expenses		(1)	-
Operating Profit		(6,901)	(14,780)
Interest payable and similar charges		-	(95)
Loss on ordinary activities before taxation		(6,901)	(14,875)
Tax on loss on ordinary activities	4	(31)	11
Loss for the financial year		(6,932)	(14,864)

All of the Company's operations during the year related to continuing operations

There is no material difference between the loss on ordinary activities before taxation and its historical cost equivalents

There were no recognised gains and losses other than as shown above and therefore a separate statement of total recognised gains and losses has not been presented

Balance sheet

as at 30 June 2011

	<i>Note</i>	<i>2011 £000</i>	<i>2010 £000</i>
Fixed assets			
Investments	5	3,636	10,536
Current assets			
Debtors	6	-	31
Creditors amounts falling due within one year	7	(1)	-
Net current (liabilities)/assets		(1)	31
Total assets less current liabilities		3,635	10,567
Creditors amounts falling due after more than one year	8	(25,484)	(25,484)
Net liabilities		(21,849)	(14,917)
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account	10	(21,849)	(14,917)
Total shareholders' deficit	11	(21,849)	(14,917)

The financial statements on pages 6 to 11 were approved by the Board of Directors and were signed on its behalf by



J Grover
Director
24 October 2011

Registered number 01073169

Notes to the financial statements

for the year ended 30 June 2011

1. Fundamental accounting concept

The financial statements have been prepared on the going concern basis as the group's parent undertaking, Bolt Equity Limited, has agreed to provide finance to the Company to meet its debts as they fall due until at least 31 December 2012

2. Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and the provisions of the Companies Act 2006

Consolidated accounts

The Company is exempt from preparing group financial statements by virtue of S400 of the Companies Act 2006

Basis of preparation

The financial statements are prepared under the historical cost convention. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Fixed asset investments

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the Directors when there has been an indication of potential impairment

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date, with the following exceptions

- i) Provision is made for gains on disposal of fixed assets that have been rolled over into replacement assets only where, at the balance sheet date, there is a commitment to dispose of the replacement assets with no likely subsequent rollover or available capital losses
- ii) Provision is made for gains on revalued fixed assets only where there is a commitment to dispose of the revalued assets and the attributable gain can neither be rolled over nor eliminated by capital losses
- iii) Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Cash flow statement

The Company is a wholly owned subsidiary of Bolt Mezzanine Limited and is included in the consolidated financial statements of that company. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996)

Notes to the financial statements

for the year ended 30 June 2011

3. Directors and employees

The Company had no employees during the current or preceding year. The emoluments of all Directors were borne by Macarthys Laboratories Limited being the company for which they performed substantially all of their duties.

The audit fees have been borne by Macarthys Laboratories Limited.

4. Tax on loss on ordinary activities

	2011 £000	2010 £000
<i>Current tax</i>		
Current year		(11)
Prior year	31	
<i>Tax on loss on ordinary activities</i>	31	(11)

The tax assessed for the year differs from the average standard effective rate of corporation tax in the UK for the year ended 30 June 2011 of 27.5%. The differences are explained below:

	2011 £000	2010 £000
<i>Loss on ordinary activities before tax</i>	(6,901)	(14,875)
Loss on ordinary activities multiplied by standard rate in the UK of 27.5% (2010 – 28%)	(1,898)	(4,165)
Effects of		
Permanent differences	1,898	4,154
Prior year adjustments	31	-
<i>Current tax charge / (credit) for the year</i>	31	(11)

5. Fixed asset investments

	2011 £000	2010 £000
Investments at cost	25,442	25,442
Provision for impairment	(21,806)	(14,906)
	3,636	10,536

A charge for impairment for the holding value of the investment in Martindale Pharma GmbH has been made in the current year of £6,900,000 (2010 charge in respect of Eldon Laboratories Limited of £14,906,000).

Notes to the financial statements

for the year ended 30 June 2011

The following were the Company's subsidiary undertakings at 30 June 2011

	<i>Incorporated</i>	<i>Principal activity</i>	<i>Percentage of share capital held</i>
Eldon Laboratories Limited	UK	Dormant	100%
Martindale Pharma GmbH	Germany	Pharmaceutical manufacturing	100%

The investment in Martindale Pharma GmbH was disposed of on 1 August 2011 (see note 12)

6. Debtors

	<i>2011</i>	<i>2010</i>
	<i>£000</i>	<i>£000</i>
Corporation tax	-	31

7. Creditors: amounts falling due within one year

	<i>2011</i>	<i>2010</i>
	<i>£000</i>	<i>£000</i>
Bank overdrafts	1	-

8. Creditors: amounts falling due after more than one year

	<i>2011</i>	<i>2010</i>
	<i>£000</i>	<i>£000</i>
Amounts owed to group undertakings	25,484	25,484

9. Called up share capital

	<i>Authorised, called up, allotted and fully paid</i>			
	<i>2011</i>		<i>2010</i>	
	<i>Number</i>	<i>£</i>	<i>Number</i>	<i>£</i>
Ordinary shares of £1 each	100	100	100	100

10. Profit and loss account

	<i>2011</i>	<i>2010</i>
	<i>£000</i>	<i>£000</i>
Profit and Loss account brought forward	(14,917)	(53)
Loss for the financial year	(6,932)	(14,864)
Profit and Loss account carried forward	(21,849)	(14,917)

Notes to the financial statements

for the year ended 30 June 2011

11. Reconciliation of movements in shareholders' deficit

	2011 £000	2010 £000
Opening shareholders' deficit	(14,917)	(53)
Loss for the financial year	(6,932)	(14,864)
Closing shareholders' deficit	<u>(21,849)</u>	<u>(14,917)</u>

12. Post balance sheet event

On 1 August 2011 the Company disposed of the entire share capital of Martindale Pharma GmbH for a gross consideration of £5.6 million. Following an impairment of £6.9 million in respect of the value of its investments recognised in the period ended 30 June 2011, the profit on disposal to be recognised in the year ended 30 June 2012 is estimated at £nil.

In its financial year to 30 June 2011, Martindale Pharma GmbH made a turnover of £5,957,000 and a profit before taxation of £823,000.

13. Contingent liabilities

The Company has guaranteed bank and other borrowings of a parent undertaking, Bolt Mezzanine Limited, and other borrowings of its subsidiary undertakings amounting to £55.75 million (2010: £62.5 million).

14. Related party transactions

Advantage has been taken of the exemption under FRS 8 "Related Party Transactions" with entities that are wholly owned by the Bolt Mezzanine Limited group on the grounds that all the voting rights are controlled by that company.

15. Ultimate parent undertaking

The immediate parent undertaking is Macarthy Limited. The smallest entity to consolidate the Company's financial statements is Bolt Mezzanine Limited. Copies of the financial statements for Bolt Mezzanine can be obtained at Bampton Road, Harold Hill, Romford RM3 8UG.

AA Capital NEBO Feeder II LP, a partnership registered in the United Kingdom, is the Company's ultimate parent and controlling party, and is the largest group in which the Company is consolidated. The consolidated financial statements of AA Capital NEBO Feeder II LP are available to the public.