

**Company Registration No. 3615891**

**Otsuka Pharmaceuticals (U.K.) Ltd**

**Revised Report and Financial Statements**

**31 December 2013**

TUESDAY



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COMPANIES HOUSE

# **Otsuka Pharmaceuticals (U.K.) Ltd**

## **Report and financial statements 2013**

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# **Otsuka Pharmaceuticals (U.K.) Ltd**

## **Report and financial statements 2013**

### **Officers and professional advisers**

#### **Directors**

Cheryl Dhillon (resigned 31 July 2014)  
Grant Geddes (resigned 31 July 2014)  
Andy Page (appointed 1 August 2014)  
David Bevan (appointed 1 August 2014)

#### **Secretary**

Mitre Secretaries Limited

#### **Registered Office**

Gallions  
Wexham Springs  
Framewood Road  
Slough  
Berkshire  
SL3 6PJ

#### **Bankers**

The Bank of Tokyo-Mitsubishi UFJ Ltd  
Barclays Bank Plc

#### **Solicitors**

CMS Cameron McKenna  
Mitre House  
160 Aldersgate Street  
London  
EC1A 4DD

#### **Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London

# Otsuka Pharmaceuticals (U.K.) Ltd

## Strategic report

The directors, in preparing this Strategic report, have complied with s414C of the Companies Act 2006

### Principal activities

Otsuka Pharmaceuticals (U K ) Limited ("OPUK") was established in order to undertake the wholesale of novel pharmaceutical products and medical devices in the United Kingdom. The directors are not aware, at the date of this report, of any likely changes in the company's activities in the coming year.

### Business review

As shown in the company's profit and loss account, sales in 2013 increased to £74,609,365 from £62,302,333 in the previous year. The like-for-like increase in sales was 20% (2012: 7%). The main reason for the higher increase in growth of like-for-like sales was growth in the Abilify range in 2013. Government initiatives to reduce public spending as a result of the economic deficit and consequent pressure on hospital budgets also led to a slowing of growth in some of the company's products, particularly those which had a high unit price. Despite these pressures, sales of Samsca (tolvaptan) increased by 68% compared to the previous year.

Gross profit increased from £34,228,576 to £43,944,267, while operating expenses increased from £33,889,817 to £42,242,024. Other operating income decreased from £857,093 to Nil due to the ending during the year of the arrangement under which salary and related costs were recharged to a third party co-promotion partner. The net profit for the year was £1,701,991 (2012: £1,186,746). Our working capital levels have remained in line with the previous year.


The company continues to work on enhancing its processes and systems framework to ensure compliance with legal, financial and regulatory requirements and to develop its corporate risk management function. The importance of reviewing and improving systems is a key priority for management and this includes continued work on supply chain, IT, pharmacovigilance, taxation and back office processing.

### Principal risks and uncertainties

As the company operates in the pharmaceutical industry, it is exposed to government policy and regulation for prescription medicines in the UK, including pricing. The pharmaceutical industry is also a highly competitive industry, within which the company's current and new products offer unique solutions in a range of disease areas.

Otsuka Pharmaceutical Co and H Lundbeck A/S have agreed to strengthen their existing partnership and expand their existing alliance to promote and sell Abilify in 14 European countries (one of them is the UK) starting 1st April 2013. This alliance will build on the foundation of the Abilify brand and will help to strengthen the capabilities of the two companies in the field of psychiatry. Starting 1st April 2013, OPUK and Lundbeck will take over the majority of sales and promotion responsibilities. However, Bristol-Myers Squibb Pharmaceuticals Ltd will continue to be involved until the next transition milestone in some functions, such as supply and distribution, processing of PV and medical information.

All products being marketed in the UK are subject to ten year data exclusivity rights. Pletal is no longer protected by data exclusivity and the first generic version was launched in Spain at the end of 2013. Abilify's data exclusivity ends in June 2014 while Samsca's rights end in 2019. Abilify Maintenance rights expire in 2023.



A. Page  
Director

26 September 2014

# Otsuka Pharmaceuticals (U.K.) Ltd

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2013. This Directors' Report has been prepared in accordance with the Companies Act 2006.

### Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they adopt the going concern basis in preparing the annual report and accounts.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the Notes to the financial statements.

### Financial risk management

#### PPRS

The 2014 Pharmaceutical Price Regulation Scheme is a voluntary scheme and OPUK falls in the scope of this scheme.

#### Eurozone

Aside from general economic challenges, the Directors are of the opinion that OPUK has no material exposure to the crisis in the Eurozone.

#### Financial support

The directors have a reasonable belief that the company will be able to continue to meet its obligations as they fall due and to trade as a going concern for a period of at least 12 months from the date of the accounts. In addition, financial support is available from the company's parent company and ultimate parent company if required.

#### Credit risk

OPUK's customers are all based in the UK. All debtors are either group companies, NHS hospitals or large companies which have been long standing business partners. The company has suffered no bad debts in the last five years and accordingly the directors view the credit risk as low.

### Results and dividends

The company earned a profit during the year of £1,170,991 (2012: £1,186,746). No dividends are proposed by the directors (2012: £nil), and the profit has been added to reserves.

### Future prospects

On 11 November, 2011, a co-promotion agreement was signed between the ultimate parent Otsuka Pharmaceutical Co and H Lundbeck A/S of Denmark for the development and commercialisation of up to five new compounds, two of which are in late stage development by Otsuka Pharmaceutical Co. OPUK will be a key player in the commercialisation activity in the UK and has begun preparations for the eventual launch of the two products, one in 2014 and another in 2015, subject to final regulatory approval. Abilify's data exclusivity ends in June 2014 while Samsca's rights end in 2019. Abilify Maintenance rights expire in 2023.

### Directors and their interests

The directors who served during the year were as follows:

Grant Geddes  
Cheryl Dhillon

None of the directors had any beneficial interest in the issued share capital of the company, or any other group company, as defined by the Companies Act 2006, at any time during the year. None of the directors of the company had any interests in any transactions which were unusual in their nature or were significant to the company's business during the year.

# Otsuka Pharmaceuticals (U.K.) Ltd

## Directors' report

### Charitable and political donations

The company has made a commitment to match staff contributions to a charity chosen by employees each year

### Employees

Otsuka is an equal-opportunities employer with an inclusive approach to consultation with employees in matters that will affect their interests. The management systematically shares information about the business, factors affecting company performance, and matters of concern to employees at regular company meetings. Employees are involved in the success of the company through cash incentive schemes that are correlated to the overall company performance and the performance of the individual employee.

Details of the number of employees and related costs can be found in Note 5 to the financial statements on page 12

### Environment

Otsuka Pharmaceuticals (U K ) Limited recognises the importance of its environmental responsibilities and designs and implements policies to reduce any damage that might be caused by its activities. Initiatives include video conferencing, car sharing incentives, recycling, electronic invoicing, payments and remittance advices, and control strategies to reduce wasteful printing.

### Revision of Accounts

The directors confirm that these revised financial statements replace the original financial statements for the year ending 31 December 2013, which were approved by the Board on 17 June 2014, and they are now the statutory financial statements. In accordance with the Companies Act 2006, the financial statements have been revised as at the date the originals were approved and not as at the date of the revision, and accordingly, do not deal with events between those dates. The original financial statements had a transposition error on the face of the balance sheet. The Act requires that where revised financial statements are issued, a revised auditor's report is issued and this is attached. We draw your attention to the change in corporate officers since the release of the previous accounts, accordingly the new directors have approved the revised accounts.

### Auditor


Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board



A (Page)  
Director

26 September 2014

# **Otsuka Pharmaceuticals (U.K.) Ltd**

## **Directors' responsibilities statement**

The directors are responsible for preparing the Annual 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, 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.

## **Independent auditor's report to the members of Otsuka Pharmaceuticals (U.K.) Ltd**

We have audited the financial statements of Otsuka Pharmaceuticals (U K ) Ltd for the year ended 31 December 2013 which comprise the profit and loss account, the balance sheet and the related notes 1 to 20. 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).

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

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, 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.

### **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 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 31 December 2013 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 in the Companies Act 2006**

In our opinion the information in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



## **Independent auditor's report to the members of Otsuka Pharmaceuticals (U.K.) Ltd (continued)**

### **Emphasis of Matter – correction of balance sheet transposition error**

In forming our opinion on the revised financial statements, which is not modified, we have considered the adequacy of the disclosures made in the Director's Report concerning the revision of the transposition error on the face of the balance sheet. The original financial statements were approved on 17 June 2014 and our previous audit report on 18 June 2014. We have not performed a subsequent events review for the period from that date of our previous report to the date of this report.

### **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



Anthony Morris (Senior Statutory Auditor)  
**for and on behalf of Deloitte LLP**  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

29 September 2014

# Otsuka Pharmaceuticals (U.K.) Ltd

## Profit and loss account Year ended 31 December 2013

	Notes	2013 £	2012 £
<b>Turnover</b>	1, 2	74,609,365	62,302,333
Cost of sales		(30,665,098)	(28,073,757)
<b>Gross profit</b>		<u>43,944,267</u>	<u>34,228,576</u>
Operating expenses	3	(42,242,023)	(33,889,817)
Other operating income	4	-	857,093
<b>Operating profit</b>	6	<u>1,702,244</u>	<u>1,195,852</u>
Interest receivable			-
Interest payable and similar expense	8	(253)	(9,106)
<b>Profit on ordinary activities before taxation</b>		<u>1,701,991</u>	<u>1,186,746</u>
Tax credit/(charge) on loss on ordinary activities	9	-	-
<b>Profit on ordinary activities after taxation for the financial year</b>	17	<u><u>1,701,991</u></u>	<u><u>1,186,746</u></u>

All figures relate to continuing activities

There are no recognised gains or losses for the financial year other than as stated above and consequently no statement of total recognised gains and losses has been presented

# Otsuka Pharmaceuticals (U.K.) Ltd

## Balance sheet 31 December 2013

	Notes	2013 £	2012 £
<b>Fixed assets</b>			
Tangible assets	10	252,050	233,503
Intangible assets	11	12,991	23,980
		<u>265,041</u>	<u>257,483</u>
<b>Current assets</b>			
Stocks	12	265,834	4,961,469
Debtors	13	22,069,435	9,175,829
Cash at bank and in hand		98,286	56,075
		<u>22,433,555</u>	<u>14,193,373</u>
<b>Creditors amounts falling due within one year</b>	14	<u>(13,105,920)</u>	<u>(6,560,171)</u>
<b>Net current assets</b>		<u>9,327,635</u>	<u>7,633,202</u>
<b>Total assets less current liabilities</b>		<u>9,592,676</u>	<u>7,890,685</u>
<b>Capital and reserves</b>			
Called up share capital	15	20,110,000	20,110,000
Profit and loss account	16	(10,517,324)	(12,219,315)
<b>Shareholder's equity</b>	17	<u>9,592,676</u>	<u>7,890,685</u>

These financial statements for Otsuka Pharmaceuticals (U K ) Ltd, Company Registrati6n No 3615891, were approved by the Directors on 26 September 2014

Signed on behalf of the Board of Directors

  
A. Page  
Director

# Otsuka Pharmaceuticals (U.K.) Ltd

## Notes to the accounts Year ended 31 December 2013

### 1. Accounting policies

#### Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have been applied consistently throughout the current and preceding financial year.

#### Turnover

Turnover represents sales net of credit notes and discounts to external customers and to affiliates of Otsuka Pharmaceutical Europe and excludes value added tax and other sales related taxes.

#### Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Machinery	5 years
Fixtures and fittings	3 to 5 years
Leasehold improvements	10 years

#### Intangible fixed assets

Intangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all intangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows: Software 3 to 5 years.

#### Stock

Inventory is stated at the lower of cost or net realisable value. Cost comprises the purchase price of stocks, primarily from the parent company. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

#### Taxation

Current tax, including group relief, is provided at the amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation 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. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. 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.

#### Cash flow statement

Under the provisions of Financial Reporting Standard No. 1 (Revised) 'Cash Flow Statements', the company has not prepared a cash flow statement because the parent undertaking, Otsuka Pharmaceutical Europe Ltd, which is registered in England and Wales, has prepared consolidated accounts for the period which contain a consolidated cash flow statement and are publicly available.

#### Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

# Otsuka Pharmaceuticals (U.K.) Ltd

## Notes to the accounts

### Year ended 31 December 2013

#### 1. Accounting policies (continued)

##### Pension costs

The company operates a defined contribution scheme. The charge for pension costs in the year represents cost to the company of the contributions payable to the pension scheme in respect of the accounting year.

##### Going concern

The company's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Strategic Report on pages 2.

In 2013 the directors prepared a ten year forecast for the business, taking into account the risks and opportunities discussed in that review and the initial period of investment required for the launch of new products prior to the receipt of the additional income streams. After making enquiries and having assessed the responses of the directors of the company's parent and ultimate parent, Otsuka Pharmaceutical Limited, to the forecast, the directors have no significant doubts about the ability of the Otsuka group to continue as a going concern or its ability to continue with the current banking arrangements and provide support as necessary to Otsuka Pharmaceuticals (U.K.) Limited.

The company is profitable and generative.

The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. Both its immediate and ultimate parent companies have substantial unused credit facilities.

As a consequence, the directors have a high degree of confidence that the company will continue to have the necessary liquid resources to meet its liabilities as they fall due and will be able to sustain its business model, strategy and operations and remain solvent, including in the face of reasonably predictable internally or externally-generated shocks and the current uncertain economic outlook.

Accordingly, they adopt the going concern basis in preparing the annual report and accounts.

#### 2. Turnover

Turnover, which is comprised of sales of novel pharmaceutical products and medical devices, was achieved wholly in the United Kingdom.

#### 3. Operating expenses

	2013 £	2012 £
Distribution costs	40,545,268	32,587,050
Administrative expenses	1,696,756	1,302,767
	<u>42,242,024</u>	<u>33,889,817</u>

#### 4. Other operating income

	2013 £	2012 £
Salary and related costs recharged to a third party co-promotion partner	<u>-</u>	<u>857,093</u>

# Otsuka Pharmaceuticals (U.K.) Ltd

## Notes to the accounts Year ended 31 December 2013

### 5. Directors' remuneration and staff costs

	2013 No.	2012 No.
Average number of employees (including directors)	60	59
Employee costs	£	£
Wages, salaries and benefits (including directors' remuneration)	4,319,501	3,728,747
Social security costs	417,181	496,607
Other pension costs	216,417	205,129
	4,953,099	4,430,483

The total amount for directors' remuneration and other benefits, all of which relates to one director, was as follows

	2013 £	2012 £
Remuneration	210,920	236,392
Social security costs	27,853	29,912
Other pension costs	39,871	20,331
	278,643	286,635

The paid director has been accruing benefits under a defined contribution scheme during this year and the preceding year. Other pension costs are stated net of salary sacrifice and the comparative figure has been restated to reflect this.

### 6. Operating profit

	2013 £	2012 £
<b>Operating profit is stated after charging:</b>		
Depreciation of tangible fixed assets	99,009	78,852
Depreciation of intangible fixed assets	10,989	15,024
Operating lease rentals – office premises	102,417	115,519
– plant and machinery	6,637	5,282
Fees payable to the company's auditor for the audit of the company's annual accounts	17,804	13,650
Fees payable to the company's auditor – taxation fees (2013 Compliance £14,000, Advisory £14,404) (2012 Compliance £14,000 Advisory £14,890)	28,404	28,890

# Otsuka Pharmaceuticals (U.K.) Ltd

## Notes to the accounts Year ended 31 December 2013

### 7. Interest receivable

	2013 £	2012 £
Bank interest	-	-

### 8. Interest payable and similar charges

	2013 £	2012 £
Interest on short term loan	253	9,106

### 9. Tax on profit on ordinary activities

The tax charge comprises

	2013 £	2012 £
Current tax charge	-	-
Adjustment in respect of previous periods	-	-
Deferred tax - Originating and reversal of timing differences	-	-
	-	-

The tax on the profit on ordinary activities for the year differs from that resulting from applying the standard rate of corporation tax in the UK to the profit before tax. The differences are explained below

	2013 £	2012 £
Profit on ordinary activities before tax	1,701,991	1,186,746
Tax charge on profit on ordinary activities at standard UK corporation tax rate of 23.25% (2012: 24.5%)	(395,713)	(290,753)
Effects of Expenses not deductible for tax purposes	(64,227)	(25,529)
Depreciation in excess of capital allowances	(43,503)	(20,819)
Movement in short term timing differences	-	-
Tax losses utilised	503,493	317,037
Current tax charge for the period	-	-

# Otsuka Pharmaceuticals (U.K.) Ltd

## Notes to the accounts

### Year ended 31 December 2013

#### 9 Tax on profit on ordinary activities (continued)

Deferred tax assets of £ 165,451 (2012 £147,210) in relation to fixed asset timing differences and £1,635,616 (2012 £2,369,081) in relation to tax losses have not been recognised in these accounts as the directors are of the opinion that there is insufficient evidence that there will be suitable taxable income available in the foreseeable future, against which these assets can be recovered

Under UK GAAP, deferred tax is calculated at the tax rate that has been enacted or substantively enacted at the balance sheet date. Legislation was passed in July 2013 to reduce the main rate of UK corporation tax from 23% to 21% effective from 1 April 2014 and to 20% effective from April 2015. The unrecognised deferred tax assets disclosed in these financial statements have been calculated at a rate of 20%

#### 10. Tangible fixed assets

	Leasehold improvements £	Machinery £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 January 2013	144,624	110,436	282,394	537,454
Additions	-	-	117,556	117,556
At 31 December 2013	144,624	110,436	399,950	655,010
<b>Accumulated depreciation</b>				
At 1 January 2013	52,804	68,115	183,032	303,951
Charge for the year	14,607	11,640	72,762	99,009
At 31 December 2013	67,411	79,755	255,794	402,960
<b>Net book value</b>				
At 31 December 2013	77,213	30,680	144,156	252,050
At 31 December 2012	91,820	42,321	99,362	233,503



# Otsuka Pharmaceuticals (U.K.) Ltd

## Notes to the accounts Year ended 31 December 2013

### 11. Intangible fixed assets

	2013 Software £
<b>Cost</b>	
At 1 January 2013	64,813
At 31 December 2013	64,813
<b>Accumulated depreciation</b>	
At 1 January 2013	40,833
Charge for the year	10,989
Disposals	
At 31 December 2013	51,822
<b>Net book value</b>	
At 31 December 2013	12,991
At 31 December 2012	23,980

### 12 Stocks

	2013 £	2012 £
Goods for resale	265,834	4,961,469

### 13. Debtors

	2013 £	2012 £
Trade debtors	9,127,508	8,763,182
Amounts owed by group undertakings	12,744,386	174,377
Other debtors	112,794	114,120
Prepayments and accrued income	84,746	124,150
	22,069,435	9,175,829

### 14. Creditors: amounts falling due within one year

	2013 £	2012 £
Trade creditors	2,402,215	227,167
Amounts owed to group undertakings	4,660,991	4,086,405
Other creditors	2,199,267	1,801,886
Accruals and deferred income	3,843,446	444,713
	13,105,920	6,560,171

# Otsuka Pharmaceuticals (U.K.) Ltd

## Notes to the accounts Year ended 31 December 2013

### 15. Called up share capital

	2013 £	2012 £
<b>Authorised:</b>		
30,000,000 (2012 30,000,000) ordinary shares of £1 each	30,000,000	30,000,000
<b>Called up, allotted and fully paid:</b>		
20,110,000 (2012 20,110,000) ordinary shares of £1 each	20,110,000	20,110,000
	<u>20,110,000</u>	<u>20,110,000</u>

### 16. Reserves

	Profit and loss account £
Balance at 1 January 2013	(12,219,315)
Profit for the year	1,701,991
Balance at 31 December 2013	<u>(10,517,324)</u>

### 17. Reconciliation of movements in shareholder's equity

	2013 £	2012 £
Profit for the financial year	1,701,991	1,186,746
Issues of shares	-	-
Net decrease to shareholder's deficit	1,701,991	1,186,746
Opening shareholder's equity	7,890,685	6,703,939
Closing shareholder's equity	<u>9,952,677</u>	<u>7,890,685</u>

### 18. Operating lease commitments

Annual commitments under non-cancellable operating leases are

	Land and buildings		Other	
	2013 £	2012 £	2013 £	2012 £
Expiry date				
- within one year	115,119	-	1,800	1,648
- between two and five years		-		1,800
- after five years	71,414	115,119		-
	<u>186,533</u>	<u>115,119</u>	<u>1,800</u>	<u>3,448</u>

## **Otsuka Pharmaceuticals (U.K.) Ltd**

### **Notes to the accounts**

#### **Year ended 31 December 2013**

**19. Related party transactions**

As a wholly-owned subsidiary undertaking of the immediate parent company Otsuka Pharmaceutical Europe Limited and the ultimate parent company Otsuka Holdings Co Limited, the company has taken advantage of the exemption in FRS8 'Related Party Disclosures' from disclosing transactions with other members of the group headed by Otsuka Pharmaceutical Europe Limited and Otsuka Holdings Co Limited

**20. Ultimate parent company**

The directors regard Otsuka Pharmaceutical Europe Limited to be the immediate parent company. It heads the smallest group within which the results of the company are included and for which consolidated financial statements are prepared. Copies of these group financial statements are available from Gallions, Wexham Springs, Framewood Road, Slough, Berkshire, SL3 6PJ. Otsuka Holdings Co Limited, a company incorporated in Japan, is regarded as the ultimate parent and controlling party and the largest group within which the results of the company are included. Copies of these financial statements may be obtained from 2-9, Kanda tsukasa-Cho, Chiyoda-Ku, Tokyo 101-8535 Japan