

Company Registration No 03626868 (England and Wales)

DURBIN PLC
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2012



DURBIN PLC

COMPANY INFORMATION

Directors	L Morgan C Gleen
Secretary	C Gleen
Company number	03626868
Registered office	180 Northolt Road Harrow Middlesex HA2 0LT
Auditor	Montpelier Audit Limited Chartered Accountants 58-60 Berners Street London W1T 3JS

DURBIN PLC

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DURBIN PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2012

The directors present their report and financial statements for the year ended 30 November 2012

Principal activities and review of the business

The principal activity of the company continued to be that of wholesaling and international sales of pharmaceuticals, medical equipment and medical supplies as well as ancillary products with a continuing increase in focus on the sale of comparators and co-medicines to organisers of clinical trials

The company continues to promote and market the company's name and expertise in the distribution of pharmaceuticals to authorised users globally

The directors can report that total revenues decreased in 2012 as compared with the previous year which was entirely attributable to a global decrease in research and development expenditure which has adversely affected the level of business undertaken by the company's business development and clinical trials segments. All other sectors within the business improved as compared with 2011.

The directors are now pleased to report that the growing level of investment in the business development and clinical trial supply areas has more recently led to an improvement in the recognition and acceptance of new brands worldwide which in turn is expected to bring in the budgeted revenues and gross profit in 2013 and thereafter. Continued growth is expected in all other areas of the business in the forthcoming year.

As always we are aware that our successes are as a result of the team effort of all staff and thank them all for their continued outstanding efforts and contributions to all areas of the business.

Business risk

The operating performance and future prospects are dependent on the company's ability to identify suitable products and to maximise profit margin whilst ensuring excellent logistical and support services for the customer.

Credit risk

Credit risk arises from trade debtors where the other party fails to discharge their obligations. The company continues to apply rules and procedures designed to minimise this risk whilst maintaining the commercial attractiveness of the company to customers. There is no concentration of credit risk.

Currency risk

As the company exports pharmaceutical and other products, there is the risk of exchange rate differences adversely affecting profitability. The directors consider the cost of hedging to be uneconomic and have in place strategies, including buying and selling in foreign currency in order to minimise this risk.

The company's main key performance indicators are its turnover and gross profit margin. Although turnover decreased by 41.9% as compared with the previous year, the gross profit margins measured as a percentage of turnover have increased by 6.0% to 16.4% in the year.

The decrease in turnover is attributable to a fall in the global level of expenditure on medical research and development which has affected the level of business achieved by the clinical trials segment of the business in the year. The growing profit margins achieved are attributable to the efforts of personnel in all other sectors dealing with pharmaceutical sales and medical supplies generally.

Liquidity is monitored by reference to the number of days taken by customers to pay which averaged 26 days and the number of days credit given to suppliers details of which are given below.

Results and dividends

The results for the year are set out on page 6.

DURBIN PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2012

Directors

The following directors have held office since 1 December 2011

L Morgan
C Gleen

Directors' interests

The directors' interests in the shares of the company were as stated below

	Ordinary shares of £1 each	
	30 November 2012	1 December 2011
L Morgan	1	1
C Gleen	1	1

	Ordinary shares of £1 each	
	30 November 2012	1 December 2011
L Morgan	49,998	49,998
C Gleen	-	-

Creditor payment policy

The company's current policy concerning the payment of trade creditors is to settle within the terms of business agreed with suppliers

On average, trade creditors at the year end represented 22 (2011- 34) days' purchases

Auditors

In accordance with the company's articles, a resolution proposing that Montpelier Audit Limited be reappointed as auditor of the company will be put at a General Meeting

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 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

DURBIN PLC

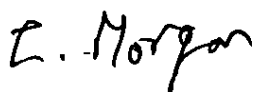
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2012

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor are aware of that information.

On behalf of the board



L Morgan

Director

20 March 2013

DURBIN PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DURBIN PLC

We have audited the financial statements of Durbin plc for the year ended 30 November 2012 set out on pages 6 to 17. 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 Directors' Responsibilities Statement set out on pages 1 - 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 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 auditor's 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.

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 Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 November 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

DURBIN PLC

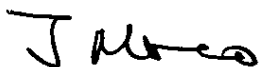
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DURBIN PLC

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



Jeffrey Marco FCA (Senior Statutory Auditor)
for and on behalf of Montpelier Audit Limited

20 March 2013

Chartered Accountants
Statutory Auditor

58-60 Berners Street
London
W1T 3JS

DURBIN PLC

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 NOVEMBER 2012

	Notes	2012 £	2011 £
Turnover	2	38,037,257	65,440,925
Cost of sales		(31,803,151)	(58,638,646)
Gross profit		6,234,106	6,802,279
Distribution costs		(2,134,052)	(1,893,255)
Administrative expenses		(3,475,940)	(3,449,924)
Other operating income		159,583	58,334
Operating profit	3	783,697	1,517,434
Investment income	4	-	6,772
Other interest receivable and similar income	4	47,328	85,231
Interest payable and similar charges	5	(140,041)	(140,003)
Profit on ordinary activities before taxation		690,984	1,469,434
Tax on profit on ordinary activities	6	(199,168)	(406,132)
Profit for the year	14	491,816	1,063,302

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

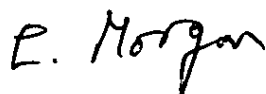
DURBIN PLC

BALANCE SHEET

AS AT 30 NOVEMBER 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Intangible assets	7	679,535		679,535	
Tangible assets	8	381,934		343,530	
		1,061,469		1,023,065	
Current assets					
Stocks	9	1,550,301		1,212,378	
Debtors	10	3,507,870		5,787,407	
Cash at bank and in hand		3,256,796		2,967,233	
		8,314,967		9,967,018	
Creditors. amounts falling due within one year	11	(4,387,010)		(6,485,087)	
Net current assets		3,927,957		3,481,931	
Total assets less current liabilities		4,989,426		4,504,996	
Provisions for liabilities	12	(17,654)		(25,040)	
		4,971,772		4,479,956	
Capital and reserves					
Called up share capital	13	25,001		25,001	
Profit and loss account	14	4,946,771		4,454,955	
Shareholders' funds	15	4,971,772		4,479,956	

Approved by the Board and authorised for issue on 20 March 2013



L Morgan
Director

Company Registration No 03626868

DURBIN PLC

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2012

	Notes	£	2012 £	£	2011 £
Net cash inflow from operating activities	20		965,307		3,008,265
Returns on investments and servicing of finance					
Interest received		47,328		85,231	
Interest paid		(140,041)		(140,003)	
Dividends received		-		6,772	
Net cash outflow for returns on investments and servicing of finance			(92,713)		(48,000)
Taxation			(394,782)		(168,883)
Capital expenditure and financial investment					
Payments to acquire tangible assets		(172,508)		(113,171)	
Receipts from sales of investments		-		10,002	
Net cash outflow for capital expenditure			(172,508)		(103,169)
Net cash inflow before management of liquid resources and financing			305,304		2,688,213
Financing					
Repayment of other long term loans		-		(15,741)	
Repayment of other short term loans		(15,741)		(5,396)	
Net cash outflow from financing			(15,741)		(21,137)
Increase in cash in the year	21, 22		289,563		2,667,076

DURBIN PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods net of VAT and trade discounts

1.4 Goodwill

Acquired goodwill is carried in the accounts at cost less a provision for amortisation or impairment which is reviewed on an annual basis. The directors consider that the acquired goodwill has an indefinite life, which is supported by the company's continued growth and high quality customer service. For these reasons, the directors consider amortisation to be inappropriate.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	2% on straight line basis
Land and buildings Leasehold	Nil
Plant and machinery	20% on straight line basis
Fixtures, fittings & equipment	20% and 33 1/3 on straight line basis
Motor vehicles	33 1/3% on straight line basis

1.6 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Stock

Stock is valued at the lower of cost and net realisable value.

1.8 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets in the foreseeable future.

1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

DURBIN PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2012

2 Turnover

Geographical market

	Turnover	
	2012	2011
	£	£
UK	12,962,207	27,604,229
EEC	10,623,473	9,711,128
Rest of the world	14,451,577	28,125,568
	<u>38,037,257</u>	<u>65,440,925</u>

3 Operating profit

	2012	2011
	£	£
Operating profit is stated after charging		
Depreciation of tangible assets	130,921	121,706
Loss on disposal of tangible assets	3,183	-
Loss on foreign exchange transactions and translation	137,366	192,924
Operating lease rentals	172,694	94,981
Fees payable to the company's auditor for the audit of the company's annual accounts	<u>19,975</u>	<u>19,975</u>

4 Investment income

	2012	2011
	£	£
Income from fixed asset investments	-	6,772
Bank interest	47,328	85,231
	<u>47,328</u>	<u>92,003</u>

5 Interest payable

	2012	2011
	£	£
Other interest	<u>140,041</u>	<u>140,003</u>

DURBIN PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2012

6	Taxation	2012	2011
		£	£
	Domestic current year tax		
	U K corporation tax	206,554	394,782
	Total current tax	206,554	394,782
	Deferred tax		
	Deferred tax charge/credit current year	(7,386)	11,350
		199,168	406,132
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	690,984	1,469,434
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.82% (2011 - 26.64%)	164,592	391,457
	Effects of		
	Non deductible expenses	35,134	9,116
	Depreciation add back	31,915	32,293
	Capital allowances	(25,087)	(38,084)
		41,962	3,325
	Current tax charge for the year	206,554	394,782
7 Intangible fixed assets			
			Goodwill
			£
	Cost		
	At 1 December 2011 & at 30 November 2012		679,535
	Net book value		
	At 30 November 2012		679,535
	At 30 November 2011		679,535

DURBIN PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2012

8 Tangible fixed assets

	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost						
At 1 December 2011	20,000	68,071	383,117	463,700	21,330	956,218
Additions	-	-	139,381	28,577	4,550	172,508
Disposals	-	-	-	(20,279)	-	(20,279)
At 30 November 2012	20,000	68,071	522,498	471,998	25,880	1,108,447
Depreciation						
At 1 December 2011	4,000	8,509	217,388	368,571	14,220	612,688
On disposals	-	-	-	(17,096)	-	(17,096)
Charge for the year	400	8,509	71,371	42,394	8,247	130,921
At 30 November 2012	4,400	17,018	288,759	393,869	22,467	726,513
Net book value						
At 30 November 2012	15,600	51,053	233,739	78,129	3,413	381,934
At 30 November 2011	16,000	59,562	165,729	95,129	7,110	343,530

9 Stocks

	2012 £	2011 £
Finished goods and goods for resale	1,550,301	1,212,378

10 Debtors

	2012 £	2011 £
Trade debtors	2,829,607	4,879,350
Other debtors	410,002	700,485
Prepayments and accrued income	268,261	207,572
	3,507,870	5,787,407

DURBIN PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2012

11 Creditors amounts falling due within one year	2012 £	2011 £
Trade creditors	1,946,672	5,457,356
Corporation tax	206,554	394,782
Other taxes and social security costs	81,174	120,571
Directors' current accounts	1,800,000	26,950
Other creditors	(3,160)	26,369
Accruals and deferred income	355,770	459,059
	<u>4,387,010</u>	<u>6,485,087</u>
Debt due in one year or less	<u>-</u>	<u>15,741</u>

12 Provisions for liabilities

	Deferred tax liability £
Balance at 1 December 2011	25,040
Profit and loss account	(7,386)
	<u>17,654</u>
Balance at 30 November 2012	<u>17,654</u>

The deferred tax liability is made up as follows

	2012 £	2011 £
Accelerated capital allowances	<u>17,654</u>	<u>25,040</u>

DURBIN PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2012

13 Share capital	2012	2011
	£	£
Authorised		
2 Ordinary shares of £1 each	2	2
49,998 Ordinary shares of £1 each	49,998	49,998
	<u>50,000</u>	<u>50,000</u>
 Allotted, called up and fully paid		
2 Ordinary shares of £1 each	2	2
49,998 Ordinary shares of £1 each (50p paid)	24,999	24,999
	<u>25,001</u>	<u>25,001</u>
 14 Statement of movements on profit and loss account		Profit and loss account
		£
Balance at 1 December 2011		4,454,955
Profit for the year		491,816
Balance at 30 November 2012		<u>4,946,771</u>
 15 Reconciliation of movements in shareholders' funds	2012	2011
	£	£
Profit for the financial year	491,816	1,063,302
Opening shareholders' funds	4,479,956	3,416,654
Closing shareholders' funds	<u>4,971,772</u>	<u>4,479,956</u>

DURBIN PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2012

16 Financial commitments

At 30 November 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 November 2013

	Land and buildings	
	2012	2011
	£	£
Operating leases which expire		
Between two and five years	15,000	-
In over five years	321,570	317,820
	<u>336,570</u>	<u>317,820</u>

17 Directors' remuneration

	2012	2011
	£	£
Remuneration for qualifying services	<u>200,076</u>	<u>274,443</u>
Remuneration disclosed above include the following amounts paid to the highest paid director		
Remuneration for qualifying services	<u>119,443</u>	<u>155,000</u>

18 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2012	2011
	Number	Number
Average number of employees during the year	<u>99</u>	<u>89</u>

Employment costs

	2012	2011
	£	£
Wages and salaries	2,142,384	2,225,474
Social security costs	<u>236,766</u>	<u>250,293</u>
	<u>2,379,150</u>	<u>2,475,767</u>

DURBIN PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2012

19 Control

The ultimate controlling party is L Morgan by virtue of his shareholding in the company

20 Reconciliation of operating profit to net cash inflow from operating activities	2012	2011
	£	£
Operating profit	783,697	1,517,434
Depreciation of tangible assets	130,921	121,706
Loss on disposal of tangible assets	3,183	-
Increase in stocks	(337,923)	(4,128)
Decrease in debtors	2,279,537	4,944,832
Decrease in creditors within one year	(1,894,108)	(3,571,579)
Net cash inflow from operating activities	965,307	3,008,265

21 Analysis of net funds	1 December 2011	Cash flow	Other non-cash changes	30 November 2012
	£	£	£	£
Net cash				
Cash at bank and in hand	2,967,233	289,563	-	3,256,796
Debt				
Debts falling due within one year	(15,741)	15,741	-	-
Net funds	2,951,492	305,304	-	3,256,796

22 Reconciliation of net cash flow to movement in net funds	2012	2011
	£	£
Increase in cash in the year	289,563	2,667,076
Cash outflow from decrease in debt	15,741	21,137
Movement in net funds in the year	305,304	2,688,213
Opening net funds	2,951,492	263,279
Closing net funds	3,256,796	2,951,492

DURBIN PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2012

23 Related party relationships and transactions

L Morgan made available £2,000,000 by way of a loan in December 2011. In November 2012, the company repaid £200,000 leaving an amount due to him of £1,800,000 at the balance sheet date (2011 £Nil). During the year the company paid interest to Mr Morgan of £140,000 (2011 £140,000).