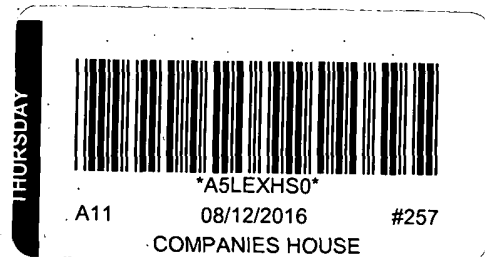


Registered number
03835531

Auden Mckenzie (Pharma Division) Limited

Report and Accounts

For the period 1 April 2015 to 31 December 2015



Auden Mckenzie (Pharma Division) Limited
Report and accounts
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Auden Mckenzie (Pharma Division) Limited
Company Information

Directors

Robert Williams
Kim Innes

Auditors

PricewaterhouseCoopers LLP
Princess Court
23 Princess Street
Plymouth
PL1 2EX

Bankers

Lloyds TSB Bank Plc
2nd Floor
249 Silbury Boulevard
Central Milton Keynes
Bucks
MK9 1NA

Barclays Bank Plc
P O Box 13555
36 -38 Park Royal Road
London
NW10 7JA

Registered office

Whiddon Valley
Barnstaple
EX32 8NS

Registered number

03835531

Auden McKenzie (Pharma Division) Limited

Strategic Report

Review of the business

In June 2015 Auden McKenzie (Pharma Division) Limited was acquired by Allergan Plc. With effect from 1 September 2015, the company transferred its activities to Actavis UK Limited, a fellow group company and no longer receives any sales income from its products. Going forward, the company's activities will be limited to non-trading income, expenses and the holding of product licences for goods sold by other group entities. Following the discontinuance of the company's trading activities no expected future income is expected, hence the directors have impaired the carrying value of its product licences in full and recognised an impairment charge of £9,967,078 as an exceptional item in the profit and loss account (see note 4).

Key Performance Indicators:

	9 months ended 31 Dec 2015 £	Year ended 31 Mar 2015 £
Turnover	71,751,515	128,762,922
Profit before tax	44,384,199	96,737,891

The reduction in turnover and profits before tax during the period is largely a reflection of the transfer of the company's activities to a fellow group company, as described above.

Future developments

On 3 August 2016 Teva Pharmaceutical Industries Limited acquired the worldwide generics business of Allergan Plc. As part of the process to complete the transaction in the UK, regulatory approval was required from the European Commission, which ruled that part of the acquired business must subsequently be divested.

Company's policy on payments to creditors

The company's policy on payments to trade creditors is to agree the terms at the outset of any contract and in advance of the provision of goods and services. Payments are made in accordance with the agreed terms and any other contractual or legal obligations.

Change in accounting period

The accounting period was changed from 31 March 2016 to 31 December 2015 to align with the Allergan Plc group, and as a result the current period results are for 9 months whereas the comparative results are for a full year.

Principle risks and uncertainties

The company's main areas of risk are as follows:

Financial instrument risk

The company has established a financial management framework whose main objective is to shelter the company from events which may hinder the company's performance targets and to ensure that sufficient funds exist for working capital."

"Price risk

The prices of pharmaceutical products can fluctuate widely depending upon the supply and competition. The risk is managed by maintaining adequate levels of stock."

"Foreign exchange risk

The company purchases and sells some products in foreign currencies. The risk is managed by monitoring foreign exchange rates on a periodic basis."

"Credit risk

Credit checks are carried out on all customers. Outstanding amounts are regularly monitored."

Auden Mckenzie (Pharma Division) Limited
Strategic report continued

"Liquidity risk

The company manages its cash flow to ensure that sufficient liquid resources are available to meet its operating needs."

"Interest rate and cash flow risk

The company maintains a positive cash balance and therefore does not consider the interest rate volatility or cash flow as major risks."

"Valuation risk

The investment properties are subject to movement in the property market valuations. However due to financial support from the group, it is highly unlikely that any distress sale will occur."

This report was approved by the board on 30 November 2016 and signed on its behalf.



R Williams
Director
30 November 2016

Auden Mckenzie (Pharma Division) Limited

Registered number: 03835531

Directors' Report

The directors present their report and audited accounts for the period 1 April 2015 to 31 December 2015.

Principal activities

The principal activities of the company in the period under review was marketing and distributing pharmaceutical products. With effect from 1 September 2015, the company transferred its activities to Actavis UK Limited, a fellow group company. Going forward, the company's activities will be limited to non-trading income, expenses and the holding of licences for goods sold by other group entities.

Future developments

On 18 February 2016 the The Corporate Practice Limited resigned as auditor of the company and was replaced by PricewaterhouseCoopers LLP.

On 3 August 2016 Teva Pharmaceutical Industries Limited acquired the worldwide generics business of Allergan Plc. As part of the process to complete the transaction in the UK, regulatory approval was required from the European Commission, which ruled that part of the acquired business must subsequently be divested.

Research and development

During the year the company invested considerable resources into research and development with a view to contribute in future growth and profits. With effect from 1 September 2015, the company transferred its activities to a fellow group company.

Financial instruments and risk management

The company's major financial instruments comprise, trade debtors, trade creditors and transactions with fellow group undertakings. The main objective of these instruments is to raise funds and finance company's operations. Further details can be found in the strategic report page 2-3.

Exceptional items

During the period all tangible fixed assets (and various intangible assets in the prior year) were sold in an arm's length transaction prior to the sale of the business to Allergan Plc, the ultimate parent company at that time.

Following the discontinuance of the company's trading activities the directors have impaired the carrying value of its product licences in full and recognised an impairment charge of £9,967,078 as an exceptional item in the profit and loss account. See note 4 for further details.

Dividends

During the year the company paid a dividend of £51,000,000, £51,000 per share. (2015: £50,000,000, £50,000 per share).

Directors

The following persons served as directors during the year:

Amit H Patel (resigned 29 May 2015)

Meeta Patel (resigned 29 May 2015)

Nadine Jakes (appointed 29 May 2015) (resigned 02 August 2016)

Sara Vincent (appointed 29 May 2015) (resigned 02 August 2016)

Jonathan Wilson (appointed 29 May 2015) (resigned 02 August 2016)

Todd Branning (appointed 29 May 2015) (resigned 02 August 2016)

Robert Williams (appointed 02 August 2016)

Richard Gordon Daniell (appointed 02 August 2016) (resigned 01 October 2016)

Kim Innes (appointed 01 October 2016)

Auden Mckenzie (Pharma Division) Limited**Registered number:** 03835531**Directors' Report continued****Directors' indemnities**

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

Going concern

The directors believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support of the parent company Teva Pharmaceuticals Europe B.V. The directors have received confirmation that the parent company intends to support the company for at least one year after these financial statements are signed.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, 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, comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), 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 comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of 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 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.

Auden Mckenzie (Pharma Division) Limited

Registered number: 03835531

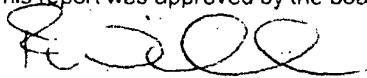
Directors' Report continued

Disclosure of information to auditors

Each person who was a director at the time this report was approved 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 him/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on 30 November 2016 and signed on its behalf.



R Williams

Director

30 November 2016

Independent auditors' report to the members of Auden Mckenzie (Pharma Division) Limited

Report on the financial statements

Our opinion

In our opinion, Auden Mckenzie (Pharma Division) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the 9 month period (the "period") 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.
-

What we have audited

The financial statements, included within the Report and Accounts (the "Annual Report"), comprise:

- the balance sheet as at 31 December 2015;
- the profit and loss account and statement of comprehensive income for the period then ended;
- the statement of changes in equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities, 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) ("ISAs (UK & 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.



Heather Ancient (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Plymouth
02 December 2016

Auden Mckenzie (Pharma Division) Limited
Profit and Loss Account
for the period 1 April 2015 to December 2015

	Notes	9 months Ended 31 Dec 2015 £	Year Ended 31 Mar 2015 £
Turnover	2	71,751,515	128,762,922
Cost of sales		(12,420,199)	(20,057,625)
Gross profit		59,331,316	108,705,297
Distribution costs		(225,908)	(704,710)
Administrative expenses		(4,046,815)	(12,056,163)
Other operating income		12,356	101,290
Operating profit before exceptional item	3	55,070,949	96,045,714
Exceptional (expense)/income	4	(10,908,806)	410,593
Operating profit after exceptional item		44,162,143	96,456,307
Interest receivable and similar income	7	222,056	376,440
Interest payable and similar charges	8	-	(94,856)
Profit on ordinary activities before taxation		44,384,199	96,737,891
Tax on profit on ordinary activities	9	(10,528,323)	(20,191,594)
Profit for the financial period/year		33,855,876	76,546,297

Statement of comprehensive income for the period ended 31 December 2015

	9 months ended 31 Dec 2015 £	Year ended 31 Mar 2015 £
Profit for the financial period / year	33,855,876	76,546,297
Other comprehensive income / (expense):		
Revaluation of properties	253,598	(253,598)
Other comprehensive income / (expense)	253,598	(253,598)
Total comprehensive income for the period / year	34,109,473	76,292,699

Discontinued operations


The company transferred its trading activities to Actavis UK Limited on 1 September and no longer receives any sales income from its products.

The profit and loss account includes discontinued turnover of £71,751,515 (prior year £128,762,922).

Auden Mckenzie (Pharma Division) Limited
Balance Sheet
as at 31 December 2015

	Notes	At 31 December 2015 £	At 31 March 2015 £
Fixed assets			
Intangible assets	10	-	9,457,078
Tangible assets	11	-	13,665,115
Investments	12	377,440	1,772,440
		377,440	24,894,633
Current assets			
Stocks	13	4,737,225	
Debtors	14	118,790,749	64,328,242
Cash at bank and in hand		1,020,661	59,509,109
		119,811,410	128,574,576
Creditors: amounts falling due within one year	15	(7,159,755)	(23,353,306)
Net current assets		112,651,655	105,221,270
Total assets less current liabilities		113,029,095	130,115,903
Provisions for liabilities			
Deferred taxation	16	18,012	(178,270)
Net assets		113,047,107	129,937,633
Capital and reserves			
Called up share capital	17	1,000	1,000
Revaluation reserve		-	(253,598)
Profit and loss account		113,046,107	130,190,231
Shareholder's funds		113,047,107	129,937,633

The financial statements on pages 9 to 23 were approved by the Board of Directors on 30 November 2016 and signed on its behalf by:



R Williams
Director

Approved by the board on 30 November 2016

Auden Mckenzie (Pharma Division) Limited

**Statement of Changes in Equity
as at 31 December 2015**

	Called up share capital	Revaluation reserve	Profit and loss account	Total
	£	£	£	£
At 1 April 2014	1,000	-	103,643,934	103,644,934
Profit for the financial year	-	-	76,546,297	76,546,297
Other comprehensive (expense) for the year	-	(253,598)		(253,598)
Total comprehensive (expense) / income for the year	-	(253,598)	76,546,297	76,292,699
Dividends	-	-	(50,000,000)	(50,000,000)
At 31 March 2015	1,000	(253,598)	130,190,231	129,937,633
Profit for the financial period	-	-	33,855,876	33,855,876
Other comprehensive income for the period	-	253,598	-	253,598
Total comprehensive income for the period	-	253,598	33,855,876	34,109,474
Dividends	-	-	(51,000,000)	(51,000,000)
At 31 December 2015	1,000	-	113,046,107	113,047,107

Auden Mckenzie (Pharma Division) Limited
Notes to the Accounts
for the period 1 April 2015 to December 2015

1 Accounting policies

General Information

In June 2015 Auden Mckenzie (Pharma Division) Limited was acquired by Allergan Plc. With effect from 1 September 2015, the company transferred its activities to Actavis UK Limited, a fellow group company. Going forward, the company's activities will be limited to non-trading income, expenses and the holding of licences for goods sold by other group entities. The Company is a private limited company limited by shares and is incorporated and domiciled in England. The address of its registered office is Whiddon Valley, Barnstaple, Devon.

Statement of Compliance

The financial statements of Auden Mckenzie (Pharma Division) Ltd have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and in accordance with the Companies Act 2006.

Summary of significant accounting policies

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements. In transition the Company has identified no significant measurement and recognition adjustments in respect of the comparative balances. Further explanation is provided in note 20.

Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The preparation is in conformity with FRS 102 and requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. There were no critical accounting judgments or estimates made by management.

Change in accounting period

The accounting period was changed from 31 March 2016 to 31 December 2015 to align with the Allergan Plc group, and as a result the current period results are for 9 months whereas the comparative results are for a full year.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

Cash flow

The company has taken advantage of the exemption, under FRS 102 paragraph 1.12 (b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Allergan Plc, includes the company's cash flows in its own consolidated financial statements.

Going Concern

The directors, having assessed the responses of the directors of the company's parent Teva Pharmaceuticals B.V. to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the company to continue with the current banking arrangements. On the basis of their assessment of the company's financial position and of the enquiries made of the directors of Teva Pharmaceuticals B.V, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. The directors therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements. The company has received confirmation from a parent

Auden Mckenzie (Pharma Division) Limited
Notes to the Accounts
for the period 1 April 2015 to December 2015

1 Accounting policies (continued)

Going Concern (continued)

undertaking, Teva Pharmaceuticals B.V., that it will provide financial support for at least one year from the date of signing of these financial statements.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Intangible assets

Intangible assets, which consist of purchased licence costs, are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives of 5 years.

Where factors such as technological advancement, commercial factors or changes in market price, indicate that residual value or useful economic life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The carrying value of intangible assets is periodically reviewed for such events or changes in circumstances, which may indicate that the carrying value is not recoverable and provision for impairment made accordingly.

The amortisation charge is included within the administrative expenses line on the profit and loss account.

Research and development

Research & development expenditure is written off to the profit and loss account in the year in which it is incurred.

Tangible assets

Tangible assets other than freehold land are stated at cost less depreciation. The Company has adopted a policy of providing full depreciation in year of purchase and no depreciation in the year of disposal. 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 building freehold	Building to be depreciated over 25 years
Plant and machinery	15% reducing balance
Fixtures, fittings and equipment	15% reducing balance
Motor vehicle	25% reducing balance

Stocks

Stock is valued at the lower of cost and net realisable value. Cost is calculated using the first-in-first-out method and includes materials, direct labour and production overheads. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Exceptional items

FRS 102 requires separate disclosure of the nature and amount of any material items of profit or loss. Such items are disclosed as exceptional items on the face of the profit and loss account where materiality is determined by reference to an item's size or nature or a combination of both.

Auden McKenzie (Pharma Division) Limited
Notes to the Accounts
for the period 1 April 2015 to December 2015

1 Accounting policies (continued)

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current taxation

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates the position taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred taxation

Deferred taxes arise from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference. Deferred tax assets and liabilities are not discounted.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Exchange gains and losses are recognised in the profit and loss account.

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the company's functional currency.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Investments

Fixed asset investments are shown at cost less provision for impairment. The carrying value of investments is periodically reviewed for events or changes in circumstances which indicate that the carrying value may not be recoverable and provision made accordingly.

Investments in property are stated at cost, which includes incidental costs of acquisition, less any provisions for permanent diminution in value. The carrying value of investments is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. No depreciation is provided in respect of the investment properties held by company.

Auden Mckenzie (Pharma Division) Limited
Notes to the Accounts
for the period 1 April 2015 to December 2015

1 Accounting policies (continued)

Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and critical judgments which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below:

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Intangibles

Determining whether intangibles are impaired requires an estimation of the value in use. The value in use calculation requires the entity to estimate the future cash flows expected to arise and a suitable discount rate in order to calculate present value. The carrying amount of intangibles at the balance sheet date was £nil after an impairment loss of £9,967,078 was recognised during the period.

2 Analysis of turnover

	9 months ended 31 December 2015 £	Year ended 31 March 2015 £
By activity		
Pharmaceutical sales (discontinued)	71,751,515	128,762,922
Total	<u>71,751,515</u>	<u>128,762,922</u>
By geographical market:		
UK	70,135,828	124,185,059
Europe	1,363,643	4,169,643
North America	-	11,791
Rest of world	252,044	396,429
Total	<u>71,751,515</u>	<u>128,762,922</u>

Auden Mckenzie (Pharma Division) Limited
Notes to the Accounts
for the period 1 April 2015 to December 2015

	9 months ended 31 December	Year ended 31 March
3 Operating profit	2015	2015
This is stated after charging:	£	£
Foreign exchange (gains)/losses	(141,461)	285,193
Depreciation of tangible assets	-	613,110
Impairment of intangibles	9,967,078	-
Amortisation of product licences	-	2,895,490
Auditors' remuneration for audit services	75,030	72,000
Cost of stock recognised as an expense	12,732,648	21,199,757
Research and development	566,665	2,106,269

	9 months ended 31 December	Year ended 31 March
4 Exceptional items	2015	2015
	£	£
Loss on disposal of tangible assets	941,728	-
Impairment of intangible assets (note 10)	9,967,078	-
(Profit) on disposal of intangible assets	-	(424,993)
Loss on disposal of motor vehicle	-	14,400
	10,908,806	(410,593)

With effect from 1 September 2015, the company transferred its activities to Actavis UK Limited, a fellow group company and no longer receives any sales income from its products. Going forward, the company's activities will be limited to non-trading income, expenses and the holding of product licences for goods sold by other group entities. Following the discontinuance of the company's trading activities no expected future income is expected, hence the directors have impaired the carrying value of its product licences in full and recognised an impairment charge of £9,967,078 as an exceptional item in the profit and loss account.

Auden Mckenzie (Pharma Division) Limited
Notes to the Accounts
for the period 1 April 2015 to December 2015

	9 months ended	Year ended
	31 December	31 March
	2015	2015
	£	£
5 Directors' emoluments		
Emoluments	57,500	353,625
Emoluments of highest paid director	33,333	205,000

	9 months ended	Year ended
	31 December	31 March
	2015	2015
	£	£
6 Staff costs		
Wages and salaries	1,494,160	2,645,624
Social security costs	186,398	285,494
Other pension costs	22,310	34,899
	1,702,868	2,966,017

Average number of employees during the period / year	Number	Number
	49	77

	9 months ended	Year ended
	31 December	31 March
	2015	2015
	£	£
7 Interest receivable and similar income		
Bank interest receivable	108,981	376,440
Interest receivable on amounts owed by group undertakings	113,075	-
	222,056	376,440

	9 months ended	Year ended
	31 December	31 March
	2015	2015
	£	£
8 Interest receivable and similar income		
Bank loans and overdrafts	-	94,856

Auden Mckenzie (Pharma Division) Limited
Notes to the Accounts
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	9 months ended 31 December 2015 £	Year ended 31 March 2015 £
9 Taxation		
Analysis of charge in period / year		
Current tax:		
UK corporation tax on profits of the period / year	10,724,605	20,208,577
Deferred tax:		
Origination and reversal of timing differences	(282,594)	(16,983)
Adjustments in respect of prior periods	86,312	-
Tax on profit on ordinary activities	<u>10,528,323</u>	<u>20,191,594</u>

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	9 months ended 31 December 2015 £	Year ended 31 March 2015 £
Profit on ordinary activities before tax	<u>44,384,199</u>	<u>96,737,891</u>
Standard rate of corporation tax in the UK	20%	21%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	8,876,840	20,314,957
Effects of:	£	£
Fixed asset difference	(138,161)	-
Group relief surrendered/(claimed)	(1,661)	-
Adjustments to tax charge in respect of previous periods	86,312	-
Tax rate difference	2,001	(424)
Expenses not deductible for tax purpose	1,702,992	9,756
R&D Claim	-	(132,695)
Total tax charge for period/year	<u>10,528,323</u>	<u>20,191,594</u>

The UK corporation tax rate was reduced from 21% to 20% with effect from 1 April 2015. Both rates were enacted at the balance sheet date. Further reductions to the UK corporation tax rate were substantively enacted in October 2015. These reduce the main rate to 19% from 1 April 2017 and to 18% from 1 April 2020. The Finance Bill 2016 replaced the 18% rate with 17% and was substantively enacted on 6 September 2016.

Auden Mckenzie (Pharma Division) Limited
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10 Intangible assets

£

Product licences:

Cost

At 1 April 2015	17,269,543
Additions	510,000

At 31 December 2015	<u>17,779,543</u>
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Amortisation

At 1 April 2015	7,812,465
Impairment	9,967,078

At 31 December 2015	<u>17,779,543</u>
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Net book value:

At 31 December 2015	-
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At 1 April 2015	<u>9,457,078</u>
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11 Tangible assets

	Land and buildings £	Plant and equipment £	Motor vehicles £	Total £
Cost				
At 1 April 2015	11,528,079	5,814,627	104,897	17,447,603
Disposals	(11,528,079)	(5,814,627)	(104,897)	(17,447,603)
At 31 December 2015	-	-	-	-
Accumulated depreciation				
At 1 April 2015	583,751	3,121,499	77,238	3,728,488
Disposals	(583,751)	(3,121,499)	(77,238)	(3,728,488)
At 31 December 2015	-	-	-	-
Net book value				
At 31 December 2015	-	-	-	-
At 31 March 2015	10,944,328	2,693,128	27,659	13,665,115

Auden McKenzie (Pharma Division) Limited
Notes to the Accounts
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12 Investments

	Investments in Associates	Other investments	Total
	£	£	£
Cost			
At 1 April 2015	377,440	1,395,000	1,772,440
Disposals	-	(1,395,000)	(1,395,000)
At 31 December 2015	<u>377,440</u>	<u>-</u>	<u>377,440</u>

The company holds 20% or more of the share capital of the following companies:

Company	Shares held	% held
	Class	
D3 Pharma Limited	Ordinary	38
D3 Pharma is a company registered in England and Wales		

	At	At
	31 December	31 March
	2015	2015
	£	£
Other investments		
Freehold land & property	-	1,395,000

13 Stocks

	At	At
	31 December	31 March
	2015	2015
	£	£
Raw materials and consumables	-	15,385
Finished goods and goods for resale	-	4,721,840
	<u>-</u>	<u>4,737,225</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Auden Mckenzie (Pharma Division) Limited
Notes to the Accounts
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	At 31 December 2015 £	At 31 March 2015 £
14 Debtors		
Trade debtors	602,081	21,329,956
Amounts owed by group undertakings	114,812,936	39,912,893
Other taxes	1,541,128	-
Other debtors	1,766,077	869,831
Directors' loan account	-	24,625
Prepayments and accrued income	68,527	2,190,937
	<u>118,790,749</u>	<u>64,328,242</u>

Amounts owed by group undertakings are as a result of trading between group entities. The balance is repayable on demand and not subject to interest.

	At 31 December 2015 £	At 31 March 2015 £
15 Creditors: amounts falling due within one year		
Trade creditors	664,468	4,817,751
Amounts owed to group undertakings	-	124,873
Corporation tax	6,008,120	8,333,451
Other taxes and social security costs	8,258	4,590,103
Other creditors	11,719	-
Accruals and deferred income	467,190	5,487,128
	<u>7,159,755</u>	<u>23,353,306</u>

Amounts owed to group undertakings are as a result of trading between group entities. The balance is repayable on demand and not subject to interest.

Auden Mckenzie (Pharma Division) Limited
Notes to the Accounts
for the period 1 April 2015 to December 2015

	At 31 December 2015 £	At 31 March 2015 £
16 Deferred taxation		
Accelerated capital allowances	18,012	(178,270)
Undiscounted asset / (provision) for deferred tax	<u>18,012</u>	<u>(178,270)</u>

	At 31 December 2015 £	At 31 March 2015 £
At 1 April	(178,270)	(195,253)
Deferred tax charge in profit and loss account	196,282	16,983
At 31 December	<u>18,012</u>	<u>(178,270)</u>

			At 31 December 2015 £	At 31 December 2015 £
17 Share capital	Nominal value	Number		
Allotted, called up and fully paid:				
Ordinary shares	£1 each	1,000	1,000	1,000

	As at 1 April 2015 £	Paid £	Repaid £	As at 31 Dec 2015 £
18 Loans to directors				
Amit H Patel (resigned 29 May 2015)				
Director's loan account	24,625	-	(24,625)	-
	<u>24,625</u>	<u>-</u>	<u>(24,625)</u>	<u>-</u>

Auden Mckenzie (Pharma Division) Limited
Notes to the Accounts
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	At 31 December	At 31 March
	2015 £	2015 £
19 Related party transactions		
Amit H Patel		
Director of the company		
Amount due from Mr A H Patel	-	24,625

The company has no transactions with related parties other than those above and with fellow group companies which are also wholly owned within the same group. In accordance with paragraph 33.1A of FRS 102, these transactions with group members are exempt from disclosure.

20 Transition to FRS 102 from UK GAAP

This the first set of Financial Statements prepared in accordance with FRS 102.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the 9 months ended 31 December 2015 and the comparative information presented in these financial statements for the year ended 31 March 2015.

The transition has not affected the reported financial position or financial performance of the company.

21 Ultimate controlling party

The immediate parent company is Auden Mckenzie Holdings Ltd, a company incorporated in the UK. Allergan Plc. is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 December 2015. A copy of these financial statements can be obtained from www.allergan.com.

On 3 August 2016 Allergan Plc divested their international generics business to Teva Pharmaceutical Industries Limited. As a result of the divestment the ultimate parent company and controlling party of Auden Mckenzie (Pharma Division) Limited is considered by the directors to be Teva Pharmaceutical Industries Limited.

The largest and smallest group into which the results of the company will subsequently be consolidated is that headed by Teva Pharmaceutical Industries Limited, a company incorporated in Israel. Copies of Teva Pharmaceutical Industries Limited's financial statements can be obtained from 5 Basel St., Petach Tikva 49131, Israel.

22 Subsequent events

On 3 August 2016 Teva Pharmaceutical Industries Limited acquired the worldwide generics business of Allergan Plc. As part of the process to complete the transaction in the UK, regulatory approval was required from the European Commission, which ruled that part of the acquired business must subsequently be divested.

23 Pensions

During the period, contributions of £22,310 (prior year £34,899) were paid to defined contribution schemes by the company. At 31 December 2015 contributions of £nil (31 March 2015 £nil) were outstanding.