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Company Registration No. 05204389 (England and Wales)

**ESSEX WOODLANDS HEALTH VENTURES UK LIMITED**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2014**

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# ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	P T Vainio G A T Ando
<b>Company number</b>	05204389
<b>Registered office</b>	Acre House 11-15 William Road London NW1 3ER
<b>Auditors</b>	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER United Kingdom
<b>Bankers</b>	Royal Bank of Scotland 62-63 Threadneedle Street London EC2R 8LA

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# ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

## STRATEGIC REPORT

***FOR THE YEAR ENDED 31 DECEMBER 2014***

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The directors present their strategic report on the company for the year ended 31 December 2014.

### **Review of the business**

The principal activity of the company continues to be that of the provision of investment advisory services.

The company made a pre-tax profit of £84,605 (2013 - £103,636) for the year on a turnover of £2,724,679 (2013 - £2,766,420).

At 31 December 2014 the company had net assets of £635,398 (2013 - £581,376).

The company continues to make satisfactory progress.

### **Principal risks and uncertainties**

The company's sole source of revenue arises from the provision of services to its holding company, Essex Woodlands Management Inc. The company's continuing success is therefore entirely dependent on the performance of its holding company, which derives its income from the management of various biotechnology funds.

### **Key performance indicators**

In the opinion of the directors there are no Key Performance Indicators whose disclosure is necessary for an understanding of the development, performance or position of the business.

On behalf of the board



P T Vainio

**Director**

Dated: 12 March 2015

# ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

## DIRECTORS' REPORT

***FOR THE YEAR ENDED 31 DECEMBER 2014***

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The directors present their report and accounts for the year ended 31 December 2014.

### **Directors**

The directors who served during the year were:

P T Vainio

G A T Ando

### **Disclosure of information to auditors**

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditors are unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

### **Auditors**

A resolution proposing the reappointment of H W Fisher & Company as auditors of the company will be put to the members.

On behalf of the board



P T Vainio

**Director**

Dated: 12 March 2015

# ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

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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;
- 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.

# **ESSEX WOODLANDS HEALTH VENTURES UK LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF ESSEX WOODLANDS HEALTH VENTURES UK LIMITED**

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We have audited the financial statements of Essex Woodlands Health Ventures UK Limited for the year ended 31 December 2014 set out on pages 5 to 14. 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 auditors**

As explained more fully in the Directors' Responsibilities Statement on page 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.

#### **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 2014 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **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.

**Nauzer Siganporia (Senior Statutory Auditor)**  
**for and on behalf of H W Fisher & Company**

#### **Chartered Accountants**

##### **Statutory Auditor**

Acre House  
11-15 William Road  
London  
NW1 3ER  
United Kingdom

Dated: 12 March 2015

# ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

## PROFIT AND LOSS ACCOUNT

*FOR THE YEAR ENDED 31 DECEMBER 2014*

		2014	2013
	Notes	£	£
Turnover	2	2,724,679	2,766,420
Administrative expenses		(2,935,458)	(2,944,907)
Other operating income		292,317	279,354
<b>Operating profit</b>	<b>3</b>	<b>81,538</b>	<b>100,867</b>
Other interest receivable and similar income		3,067	2,769
<b>Profit on ordinary activities before taxation</b>		<b>84,605</b>	<b>103,636</b>
Tax on profit on ordinary activities	6	(30,583)	(36,720)
<b>Profit for the year</b>	<b>11</b>	<b>54,022</b>	<b>66,916</b>

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

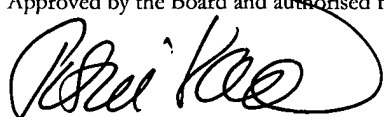
There are no recognised gains and losses other than those passing through the profit and loss account.



**ESSEX WOODLANDS HEALTH VENTURES UK LIMITED****BALANCE SHEET****AS AT 31 DECEMBER 2014**

	Notes	2014 £	£	2013 £	£
<b>Fixed assets</b>					
Tangible assets	7		300,993		379,813
<b>Current assets</b>					
Debtors: amounts falling due within one year	8	486,859		322,176	
Debtors: amounts falling due after more than one year	8	696,234		693,167	
Cash at bank and in hand		277,668		254,487	
		<u>1,460,761</u>		<u>1,269,830</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(1,126,356)</u>		<u>(1,068,267)</u>	
<b>Net current assets</b>			334,405		201,563
<b>Total assets less current liabilities</b>			<u>635,398</u>		<u>581,376</u>
<b>Capital and reserves</b>					
Called up share capital	10		1		1
Profit and loss account	11		635,397		581,375
<b>Shareholders' funds</b>	12		<u>635,398</u>		<u>581,376</u>

Approved by the Board and authorised for issue on 12 March 2015



P T Vainio

Director

# ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

## CASH FLOW STATEMENT

**FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	£	2014 £	£	2013 £
Net cash inflow from operating activities	13		71,499		23,107
Returns on investments and servicing of finance					
Interest received		-		27	
Net cash inflow for returns on investments and servicing of finance			-		27
Taxation			(38,720)		(28,967)
Capital expenditure					
Payments to acquire tangible fixed assets		(9,598)		(29,696)	
Net cash outflow for capital expenditure			(9,598)		(29,696)
Net cash inflow/(outflow) before financing			23,181		(35,529)
Increase/(decrease) in cash in the year	15, 14		23,181		(35,529)

# ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2014**

### 1 Accounting policies

#### 1.1 Accounting convention

The accounts have been prepared under the historical cost convention.

#### 1.2 Compliance with accounting standards

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

#### 1.3 Revenue recognition

Turnover represents the invoiced value of services provided net of VAT.

#### 1.4 Tangible fixed assets and depreciation

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

Leasehold property	Over the life of lease
Computer Equipment	33% straight line
Fixtures and Fittings	25% straight line

#### 1.5 Leasing

Rental payments under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

#### 1.6 Pensions

The company makes payments towards employees' personal pension schemes. Contributions are charged to the profit and loss account as they become payable.

#### 1.7 Deferred taxation

Deferred tax is provided in full on timing differences which 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 accounts. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets. 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.

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

### 3 Operating profit

	2014	2013
	£	£
Operating profit is stated after charging:		
Depreciation of owned tangible fixed assets	88,418	91,540
Operating lease rentals	554,620	523,808
Auditors' remuneration (including expenses and benefits in kind)	10,750	10,500
Auditors' remuneration for other services	22,038	18,107

# ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2014

4	Directors' emoluments	2014 £	2013 £
	Emoluments for qualifying services	680,344	729,937

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	454,393	479,937
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## 5 Employees

### Number of employees

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

2014 Number	2013 Number
6	6

### Employment costs

	2014 £	2013 £
Wages and salaries	1,240,230	1,282,610
Social security costs	165,018	171,302
Other pension costs	35,937	35,712
	1,441,185	1,489,624

# ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2014

6	Taxation	2014 £	2013 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	30,583	36,720
	<b>Current tax charge</b>	<u>30,583</u>	<u>36,720</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	84,605	103,636
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.49% (2013 - 23.25%)	<u>18,182</u>	<u>24,095</u>
	Effects of:		
	Non deductible expenses	2,294	2,865
	Depreciation add back	19,001	21,283
	Capital allowances	(8,898)	(11,519)
	Other tax adjustments	4	(4)
		<u>12,401</u>	<u>12,625</u>
	<b>Current tax charge</b>	<u>30,583</u>	<u>36,720</u>

# ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2014

#### 7 Tangible fixed assets

	Land and buildings short Leasehold	Computer Equipment	Fixtures and Fittings	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2014	800,337	69,505	333,881	1,203,723
Additions	-	9,598	-	9,598
At 31 December 2014	800,337	79,103	333,881	1,213,321
<b>Depreciation</b>				
At 1 January 2014	443,532	53,424	326,954	823,910
Charge for the year	74,201	11,787	2,430	88,418
At 31 December 2014	517,733	65,211	329,384	912,328
<b>Net book value</b>				
At 31 December 2014	282,604	13,892	4,497	300,993
At 31 December 2013	356,805	16,081	6,927	379,813

#### 8 Debtors

	2014	2013
	£	£
Other debtors	995,023	854,886
Prepayments and accrued income	188,070	160,457
	<u>1,183,093</u>	<u>1,015,343</u>

Amounts falling due after more than one year and included in the debtors above are:

	2014	2013
	£	£
Other debtors	<u>696,234</u>	<u>693,167</u>

# ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2014

9	Creditors: amounts falling due within one year	2014 £	2013 £
	Trade creditors	15,418	11,303
	Amounts owed to group undertakings	719,678	734,357
	Corporation tax	10,583	18,720
	Other taxes and social security costs	70,068	115,856
	Other creditors	136,264	117,388
	Accruals and deferred income	174,345	70,643
		<u>1,126,356</u>	<u>1,068,267</u>

Included within other creditors is £117,434 (2013 - £117,339) relating to deposits from tenants which are held in separate designated bank accounts. The bank accounts are included within the amount of £277,668 (2013 - £254,487) shown under cash at bank and in hand in the balance sheet.

10	Share capital	2014 £	2013 £
	<b>Allotted, called up and fully paid</b>		
	1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

11	Statement of movements on profit and loss account	Profit and loss account £
	Balance at 1 January 2014	581,375
	Profit for the year	54,022
	Balance at 31 December 2014	<u>635,397</u>

12	Reconciliation of movements in shareholders' funds	2014 £	2013 £
	Profit for the financial year	54,022	66,916
	Opening shareholders' funds	581,376	514,460
	Closing shareholders' funds	<u>635,398</u>	<u>581,376</u>

# ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2014

13	Reconciliation of operating profit to net cash inflow from operating activities	2014 £	2013 £
	Operating profit	81,538	100,867
	Depreciation of tangible fixed assets	88,418	91,540
	Increase in debtors	(164,683)	(113,399)
	Increase/(decrease) in creditors	66,226	(55,901)
	<b>Net cash inflow from operating activities</b>	<b>71,499</b>	<b>23,107</b>

14	Reconciliation of net cash flow to movement in net funds	2014 £	2013 £
	Increase/(decrease) in cash in the year	23,181	(35,529)
	<b>Movement in net funds/(debt) in the year</b>	<b>23,181</b>	<b>(35,529)</b>
	Opening net funds	254,487	290,016
	<b>Closing net funds</b>	<b>277,668</b>	<b>254,487</b>

15	Analysis of net funds	1 January 2014 £	Cash flow £	Other non-cash changes £	31 December 2014 £
	Net cash:				
	Cash at bank and in hand	254,487	23,181	-	277,668
	<b>Net funds</b>	<b>254,487</b>	<b>23,181</b>	<b>-</b>	<b>277,668</b>

### 16 Financial commitments

At 31 December 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2015:

	Land and buildings 2014 £	2013 £
Operating leases which expire:		
Between two and five years	554,620	554,620



# ESSEX WOODLANDS HEALTH VENTURES UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

***FOR THE YEAR ENDED 31 DECEMBER 2014***

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### **17 Related party transactions**

During the period, the company supplied services totalling £2,724,679 (2013 - £2,766,420) to Essex Woodlands Management Inc., its holding company. At the balance sheet date, an amount of £719,678 (2013 - £734,357) was owed to Essex Woodlands Management Inc.

### **18 Controlling parties**

The immediate and ultimate holding company and ultimate controlling party is Essex Woodlands Management Inc., a company incorporated in the United States of America.