

Sprint Acquisitions UK Holdco 3 Limited

Annual report and financial statements

Registered number 6849845

31 March 2016

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Strategic report

Principal activities

The Company is an investment holding company within the Sprint Acquisitions Holdings Limited group ("Group").

Business review

The Company's loss for the financial year was £16,782,000 (2015: £17,147,000 loss).

On 20 November 2015, the Company subscribed for equity in Alliance Healthcare Italia S.p.a. which was satisfied by way of the loan due of £46,971,000 by Alliance Healthcare Italia S.p.a. to the Company.

The impairment of investments incurred during the year comprised a £17,595,000 (2015: £17,886,000) provision for impairment against the carrying value of the Company's investment in Alliance Healthcare Italia S.p.a..

Principal risks and uncertainties

The Company's Directors monitor the overall risk profile of the Company. In addition, the Directors are responsible for determining clear policies as to what the Company considers to be acceptable levels of risk. These policies seek to enable the Company to identify risks that could undermine performance and to devise ways of bringing them to within acceptable levels. Where the Directors identify risks that are not acceptable, they develop action plans to mitigate them with clear allocation of responsibilities and timescales for completion and ensure that progress towards implementing these plans is monitored and reported upon.

There are no additional business risks for the Company necessary for an understanding of the development, performance or position of the business.

By order of the Board:



W Zettel
Director
11 April 2017

Registered Office:

Sedley Place
4th Floor
361 Oxford Street
London
W1C 2JL

Registered number 6849845 in England and Wales

Directors' report

The Directors present their report and the audited financial statements for the year ended 31 March 2016.

Financial instruments

The Company used derivative financial instruments to hedge its exposure to currency translation and interest rate risks arising from operating, financing and investing activities. These hedges have been settled during the financial year ended 31 March 2016.

Proposed dividend

The directors do not recommend the payment of a dividend (2015: nil).

Directors

The following served as Directors during the year:

M. Caprioli	
S. Pessina	
S. Lambert	(appointed 20 October 2015)
W. Zettel	(appointed 20 October 2015)

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditor

KPMG LLP resigned during the year and has been replaced by KPMG Audit LLC. Pursuant to Section 487 of the Companies Act 2006, the auditors are deemed to be reappointed and KPMG Audit LLC will therefore continue in office.

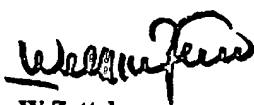
Transition to FRS 101

In these financial statements, the Company has adopted FRS 101 for the first time. The transition from UK GAAP to FRS 101 has not affected the Company's financial position and financial performance (see note 15).

Other information

There have been no other significant events since the balance sheet date which should be considered for a proper understanding of these financial statements.

By order of the Board:



W Zettel
Director
11 April 2017

Registered Office:

Sedley Place
4th Floor
361 Oxford Street
London
W1C 2JL

Registered number 6849845 in England and Wales

Statement of Directors' responsibilities in respect of the annual report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Sprint Acquisitions UK Holdco 3 Limited

We have audited the financial statements of Sprint Acquisitions UK Holdco 3 Limited for the year ended 31 March 2016 set out on pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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.

Respective responsibilities of directors and auditor

As explained more fully in the statement of Directors' responsibilities set out 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 March 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given 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.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

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.



Jonathan Tricker
Senior Statutory Auditor
For and on behalf of KPMG Audit LLC, Chartered Accountants

Heritage Court
41 Athol Street
Douglas
Isle of Man
IM99 1HN

12 April 2017

Statement of total comprehensive income

	<i>Note</i>	2016 £000	2015 £000
Other operating charges	2	(5)	(13)
Operating loss		(5)	(13)
Interest receivable and similar income	4	2,284	8,152
Amounts written off investments	7	(17,595)	(17,886)
Interest payable and similar charges	5	(1,251)	(7,202)
Loss before taxation		(16,567)	(16,949)
Tax on loss	6	(215)	(198)
Loss for the financial year		(16,782)	(17,147)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(16,782)	(17,147)

All activities are considered to be continuing.

The notes on pages 8 to 14 form part of these financial statements.

Statement of financial position

	<i>Note</i>	2016 £000	2015 £000
Non-current assets			
Investment in subsidiary undertakings	7	33,862	4,486
		33,862	4,486
Current assets			
Receivables	8	7,784	54,878
Cash at bank		1,276	489
		9,060	55,367
Total assets		42,922	59,853
Current liabilities			
Payables	9	(276)	(425)
		(276)	(425)
Total liabilities		(276)	(425)
Net assets		42,646	59,428
Capital and reserves			
Called up share capital	10	2,470	2,470
Share premium account		111,314	111,314
Profit and loss account		(71,138)	(54,356)
Total shareholders' funds		42,646	59,428

The notes on pages 8 to 14 form part of these financial statements.

These financial statements were approved by the board of directors on 11 April 2017 and were signed on its behalf by:


S Lambert
 Director

Registered number 6849845

Statement of changes in equity

	Called up Share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
1 April 2014	981	72,619	(37,209)	36,391
Loss for the year	-	-	(17,147)	(17,147)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	(17,147)	(17,147)
Issue of shares	1,489	38,695	-	40,184
Total transactions with owners	1,489	38,695	-	40,184
31 March 2015	2,470	111,314	(54,356)	59,428
Loss for the year	-	-	(16,782)	(16,782)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	(16,782)	(16,782)
31 March 2016	2,470	111,314	(71,138)	42,646

The notes on pages 8 to 14 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Sprint Acquisitions UK Holdco 3 Limited (the “Company”) is a company incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (“FRS 101”). The amendments to FRS 101 (2013/14 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (“Adopted IFRSs”), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has adopted FRS 101 for the first time.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. The transition to FRS 101 has not affected the reported financial position and the financial performance of the Company.

The Company’s ultimate parent undertaking, Sprint Acquisitions Holdings Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Sprint Acquisitions Holdings Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Sprint Acquisitions Holdings Limited, 57/63 Line Wall Road, Gibraltar.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;

As the consolidated financial statements of the ultimate parent undertaking include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of certain disclosures required by IFRS 13 *Fair value measurement* and IFRS 7 *Financial instruments disclosures* in respect of financial instruments which are held at fair value and are not either held as part of trading portfolio or derivatives.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 balance sheet at 31 March 2015 for the purposes of the transition to FRS 101.

There have been no changes in accounting policies.

Notes *(continued)*

1 Accounting policies *(continued)*

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that derivative financial instruments are stated at their fair value.

1.2 Going concern

The Directors consider that the Company has adequate resources to remain in operation for the foreseeable future and have therefore continued to adopt the going concern basis for preparing the financial statements.

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Investments in subsidiary undertakings

Investments in subsidiary undertakings are carried at cost less impairment.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.5 Cash at bank

Cash at bank comprise bank balances and demand deposits.

1.6 Derivative financial instruments and hedging

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

Fair value hedges

Where a derivative financial instrument is designated as a hedge of the variability in fair value of a recognised asset or liability or an unrecognised firm commitment, all changes in the fair value of the derivative are recognised immediately in the profit and loss account. The carrying value of the hedged item is adjusted by the change in fair value that is attributable to the risk being hedged (even if it is normally carried at cost or amortised cost) and any gains or losses on remeasurement are recognised immediately in the profit and loss account (even if those gains would normally be recognised directly in reserves).

Notes *(continued)*

1 Accounting policies *(continued)*

1.7 Impairment excluding stocks

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1.8 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

1.9 Expenses (Interest receivable and Interest payable)

Interest payable and similar charges include interest payable and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.10 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Notes (continued)

2 Other operating charges and auditor's remuneration

The profit and loss account of the financial year ended 31 March 2016 includes operating costs of £5 thousand (2015: £13 thousand).

Auditor's remuneration

The 2016 audit fee in respect of auditing the financial statements pursuant to legislation was £4 thousand (2015: £4 thousand).

3 Staff numbers and costs

The Directors have not received any remuneration for their services to the Company during the current or prior year. There were no employees during the current or prior year.

4 Interest receivable and similar income

	2016 £000	2015 £000
Interest receivable from group undertakings	726	1,458
Fair value gains on derivative financial instruments	1,558	6,694
Total interest receivable and similar income	2,284	8,152

5 Interest payable and similar charges

	2016 £000	2015 £000
Interest payable to group undertakings	-	606
Foreign exchange losses	1,211	6,417
Other finance costs	40	179
Total interest payable and similar charges	1,251	7,202

6 Taxation

	2016 £000	2015 £000
<i>United Kingdom ('UK') corporation tax</i>		
Corporation tax on loss for the year at 20% (2015: 21%)	(215)	(198)
Total current tax	(215)	(198)
Deferred tax	-	-
Tax on loss	(215)	(198)

Income tax recognised in other comprehensive income

The Company did not recognise other comprehensive income during the current or prior year.

Notes (continued)

6 Taxation (continued)

Reconciliation of effective tax rate

	2016 £000	2015 £000
Loss before taxation	(16,567)	(16,949)
Corporation tax on loss for the year at 20% (2015: 21%)	3,313	3,559
Non taxable impairment of investments	(3,519)	(3,757)
Non-deductible expenses	(9)	-
Total tax expense	(215)	(198)

7 Investment in subsidiary undertakings

	2016 £000	2015 £000
Cost		
At beginning of the year	67,501	67,501
Additions	46,971	-
At end of the year	114,472	67,501
Impairment		
At beginning of the year	(63,015)	(45,129)
Impairment during the year	(17,595)	(17,886)
At end of the year	(80,610)	(63,015)
Net book value at end of the year	33,862	4,486

The Company holds, apart from one share, 99.99% interest in Alliance Healthcare Italia S.p.a.. During the financial year ended 31 March 2016, the Company subscribed for equity in Alliance Healthcare Italia S.p.a. which was satisfied by way of the loan due of £46,971 thousand by Alliance Healthcare Italia S.p.a. to the Company.

The impairment recognised during the year relates to the Directors' judgment of the permanent reduction in the carrying value of the Company's directly held investments compared to their recoverable amount, and as such, the investment in Alliance Healthcare Italia S.p.a. was impaired by £17,595 thousand (2015: £17,886 thousand).

The Company holds a further investment of 100% in Walvis Verwaltungs GmbH, a dormant German company.

8 Receivables

	2016 £000	2015 £000
Current		
Amounts owed by group undertakings	7,784	50,038
Fair value of derivative financial instruments	-	4,840
Total receivables	7,784	54,878

Amounts owed by group undertakings include £7,784 thousand deposit maturing 31 August 2018. During the financial year ended 31 March 2016, the Company subscribed for equity in Alliance Healthcare Italia S.p.a. which was satisfied by way of the loan due of £46,971 thousand by Alliance Healthcare Italia S.p.a. to the Company.

Notes (continued)

9 Payables

	2016 £000	2015 £000
Current		
Accruals and deferred income	13	243
Amounts owed to group undertakings	116	35
Corporation tax payable	147	147
Total payables	276	425

10 Capital and reserves

Share capital

	2016 £000	2015 £000
Allotted, called up and fully paid		
2,470,028 Ordinary shares of £1 each (2015: 2,470,028)	2,470	2,470
Shares classified as liabilities	-	-
Shares classified in shareholders' funds	2,470	2,470

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Other comprehensive income

The Company did not recognise other comprehensive income during the current or prior year.

11 Financial instruments

The Company used derivative financial instruments to hedge its exposure to currency translation and interest rate risks arising from operating, financing and investing activities. These hedges have been settled during the financial year ended 31 March 2016 and a gain of £1,558 thousand has been recognised in the profit and loss account.

12 Related parties

At 31 March 2016, the Company was controlled by Sprint Acquisitions Holdings Limited and is exempt from disclosing transactions with it and other wholly owned group transactions under FRS 101.8(c).

13 Ultimate parent company and parent company of larger group

At 31 March 2016, the Company's immediate parent company was Sprint UK Holdings 1 Limited (formerly ABG UK Holdings 1 Limited) and its ultimate parent company and controlling party was Sprint Acquisitions Holdings Limited (formerly AB Acquisitions Holdings Limited). Sprint Acquisitions Holdings Limited is the parent undertaking of the only group in which the Company is consolidated.

Sprint Acquisitions Holdings Limited is incorporated in Gibraltar and its registered office is 57/63 Line Wall Road Gibraltar. Sprint Acquisitions Holdings Limited is jointly controlled by Alliance Santé Participations S.A., and three private equity investment vehicles advised by Kohlberg Kravis Roberts & Co. L.P.. S. Pessina and O. Barra, who are directors of Sprint Acquisitions Holdings Limited, are also directors of Alliance Santé Participations S.A., which is ultimately owned by a family trust.

14 Subsequent events

There have been no events of material financial consequence after the end of the financial period under review.

Notes *(continued)*

15 Transition to FRS 101 from old UK GAAP

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2016 and the comparative information presented in these financial statements for the year ended 31 March 2015 and in the preparation of an opening FRS 101 statement of financial position at 1 April 2014 (the Company's date of transition).

In preparing its FRS 101 statement of financial position, the Company has made no adjustments of the amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). The transition from UK GAAP to FRS 101 has not affected the Company's financial position and financial performance.