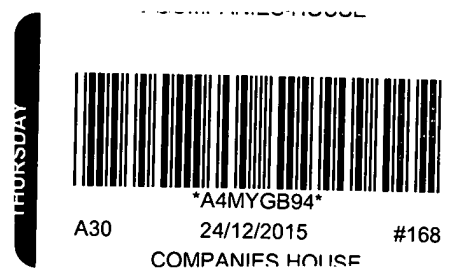


Abbey Pharma Limited

Registered number: 06870472

Directors' report and financial statements

For the year ended 30 April 2015



ABBEY PHARMA LIMITED

COMPANY INFORMATION

Directors

G Michael (resigned 7 August 2014)
S Choudhary
K James
B McEwan (appointed 7 August 2014)
J Austin (appointed 7 August 2014)

Registered number

06870472

Registered office

The Granary Courtyard Barns
Choke Lane
Maidenhead
Berkshire
SL6 6PT

Independent auditors

Mazars LLP
Chartered Accountants & Statutory Auditor
14th Floor
The Plaza
100 Old Hall Street
Liverpool
L3 9QJ

ABBHEY PHARMA LIMITED

CONTENTS

	Page
Group Strategic Report	1
Directors' Report	2 - 3
Independent Auditors' Report	4 - 5
Consolidated Profit and Loss Account	6
Consolidated Balance Sheet	7
Company Balance Sheet	8
Consolidated Cash Flow Statement	9
Notes to the Financial Statements	10 - 25

ABBEY PHARMA LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2015

Business review and key performance indicators

The principal activity of the business during the year ended 30 April 2015 continued to be development, sales and marketing of pharmaceuticals.

During the year the company acquired and integrated Peckforton Pharmaceuticals Limited into the Abbey group of companies.

The group's key financial indicators were:

	2015	2014
Turnover	£9,823,601	£5,957,753
Profit on ordinary activities before tax	£115,698	£814,849

The turnover increased by 65% primarily due to the acquisition of Peckforton Pharmaceuticals Ltd during the year.

Pre-tax profit fell due the divestment of part of Intrapharm portfolio and the costs associated with the acquisition of Peckforton Pharmaceuticals Ltd and the associated reorganisation.

Principal risks and uncertainties

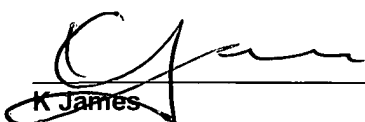
The price of the company's generic medicines tend to be more volatile than the price of its branded products. Therefore there is potential for price erosion on some products. The price risk is mitigated by closely managing stock levels.

Foreign exchange presents a risk which is mitigated, where possible, by holding foreign currency accounts and matching cash inflows and outflowing in key currencies.

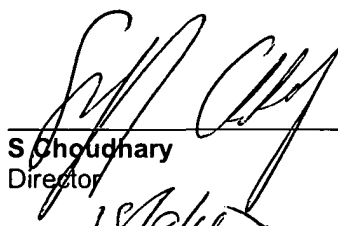
Credit risk is managed by our primary distributor.

Cash flow risk is managed by projecting future cash flows and closely managing working capital.

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


K James
Director

Date: 17/9/2015


S Choudhary
Director
18/9/15

ABBEY PHARMA LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2015

The directors present their report and the financial statements for the year ended 30 April 2015.

Principal activities

The principal activity of the company is that of a holding company. The principal activity of the group is that of development, selling and marketing of pharmaceuticals products.

The comparative information included in the financial statements for the year ended 30 April 2014 has not been audited on the basis that the group was entitled to exemption from audit.

Results

The profit for the year, after taxation, amounted to £94,845 (2014 - £622,751).

Directors

The directors who served during the year were:

G Michael (resigned 7 August 2014)
S Choudhary
K James
B McEwan (appointed 7 August 2014)
J Austin (appointed 7 August 2014)

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, 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 the group and of the profit or loss of the group 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ABBEY PHARMA LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2015

Future developments

During the next financial year the directors anticipate that they will complete the integration of Peckforton Pharmaceuticals Ltd into the Abbey group.

They expect the company to continue to grow organically and by further acquisitions.

Financial risk management policies

The group's business activities, together with the factors likely to affect its future development and its key risks are described in this report and the Strategic Report.

The group has considerable financial resources together with long term contracts with a number of customers and suppliers across different geographic areas. As a consequence, the directors believe that the group is well placed to manage its business risks successfully.

Disclosure of information to auditors

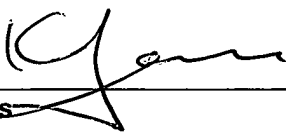
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information.

Auditors

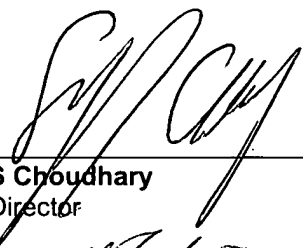
The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



K James
Director

Date: 18/9/2015



S Choudhary
Director
Date: 18/9/15

ABBEEY PHARMA LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABBEEY PHARMA LIMITED

We have audited the financial statements of Abbey Pharma Limited for the year ended 30 April 2015 which comprise the Group Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

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 the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 April 2015 and of the group's 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.

Other matter

Without qualifying our opinion we draw attention to Note 1.2 to the financial statements and the fact that the comparative information in the accounts was unaudited as the company and its subsidiaries were entitled to exemption from audit.

Opinion on the 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.

ABBEY PHARMA LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABBEY PHARMA LIMITED

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Gareth Hitchmough (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

14th Floor
The Plaza
100 Old Hall Street
Liverpool
L3 9QJ

22 September 2015

ABBEEY PHARMA LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2015

		2015 £	Unaudited 2014 £
	Note		
Turnover	1,2	9,823,601	5,957,753
Cost of sales		(6,093,420)	(3,278,150)
Gross profit		3,730,181	2,679,603
Distribution costs		(450,680)	(128,539)
Administrative expenses		(3,028,141)	(1,733,290)
Operating profit	3	251,360	817,774
Interest receivable and similar income		7,993	4,967
Interest payable and similar charges	6	(143,655)	(7,892)
Profit on ordinary activities before taxation		115,698	814,849
Tax on profit on ordinary activities	7	(20,853)	(192,098)
Profit for the financial year	17	94,845	622,751

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the profit and loss account.

The notes on pages 10 to 25 form part of these financial statements.


ABBEY PHARMA LIMITED

Registered number: 06870472

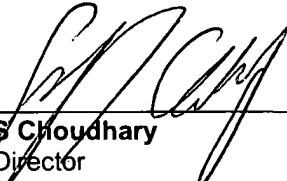
**CONSOLIDATED BALANCE SHEET
AS AT 30 APRIL 2015**

	Note	£	2015 £	£	Unaudited 2014 £
Fixed assets					
Intangible assets	8		3,268,961		325,366
Tangible assets	9		27,304		5,683
			<u>3,296,265</u>		<u>331,049</u>
Current assets					
Stocks	11	2,286,895		663,018	
Debtors	12	1,546,593		1,827,646	
Cash at bank and in hand		678,339		18,567	
		<u>4,511,827</u>		<u>2,509,231</u>	
Creditors: amounts falling due within one year	13	(4,532,415)		(1,660,564)	
Net current (liabilities)/assets			<u>(20,588)</u>		<u>848,667</u>
Total assets less current liabilities			<u>3,275,677</u>		<u>1,179,716</u>
Creditors: amounts falling due after more than one year	14	(2,074,300)		(72,426)	
Provisions for liabilities					
Deferred tax	15		-		(758)
Net assets			<u>1,201,377</u>		<u>1,106,532</u>
Capital and reserves					
Called up share capital	16		1,000		1,000
Profit and loss account	17		1,200,377		1,105,532
Shareholders' funds	19		<u>1,201,377</u>		<u>1,106,532</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


K James
 Director

Date: 18/9/2015.


S Choudhary
 Director

Date: 18/9/15

The notes on pages 10 to 25 form part of these financial statements.

ABBEE PHARMA LIMITED

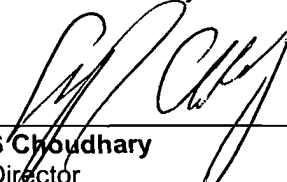
Registered number: 06870472

COMPANY BALANCE SHEET**AS AT 30 APRIL 2015**

	Note	£	2015 £	£	Unaudited 2014 £
Fixed assets					
Investments	10		2,884,596		357,450
Current assets					
Debtors	12	592,733		1,965	
Cash at bank		-		5,360	
		<u>592,733</u>		<u>7,325</u>	
Creditors: amounts falling due within one year	13	<u>(2,188,739)</u>		<u>(297,274)</u>	
Net current liabilities			<u>(1,596,006)</u>		<u>(289,949)</u>
Total assets less current liabilities			1,288,590		67,501
Creditors: amounts falling due after more than one year	14		<u>(2,074,300)</u>		<u>(72,426)</u>
Net liabilities			<u><u>(785,710)</u></u>		<u><u>(4,925)</u></u>
Capital and reserves					
Called up share capital	16		1,000		1,000
Profit and loss account	17		<u>(786,710)</u>		<u>(5,925)</u>
Shareholders' deficit	19		<u><u>(785,710)</u></u>		<u><u>(4,925)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


K James
Director


S Choudhary
Director

Date: 18/9/2015

Date: 18/9/15

The notes on pages 10 to 25 form part of these financial statements.

ABBEEY PHARMA LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2015

	Note	2015 £	Unaudited 2014 £
Net cash flow from operating activities	20	507,137	(9,591)
Returns on investments and servicing of finance	21	(133,252)	(2,925)
Taxation		-	(13,382)
Capital expenditure and financial investment	21	(886,953)	39,809
Acquisitions and disposals	21	(1,877,146)	-
Cash (outflow)/inflow before financing		(2,390,214)	13,911
Financing	21	2,241,000	(128,416)
Decrease in cash in the year		(149,214)	(114,505)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT FOR THE YEAR ENDED 30 APRIL 2015

	2015 £	Unaudited 2014 £
Decrease in cash in the year	(149,214)	(114,505)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(2,241,000)	128,416
Change in net debt resulting from cash flows	(2,390,214)	13,911
Other non-cash changes	(454,574)	-
Movement in net debt in the year	(2,844,788)	13,911
Net debt at 1 May 2014	(270,010)	(283,921)
Net debt at 30 April 2015	(3,114,798)	(270,010)

The notes on pages 10 to 25 form part of these financial statements.

ABBEY PHARMA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Comparative information

The comparative information included in the financial statements for the year ended 30 April 2014 has not been audited on the basis that the group was entitled to exemption from audit.

1.3 Going concern

The group is funded by a combination of bank and other loans. The directors have prepared forecasts taking into account a number of reasonable scenarios and expect the group to be in compliance with the terms of its funding. Thus the directors believe that it is appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Basis of consolidation

The financial statements consolidate the accounts of Abbey Pharma Limited and all of its subsidiary undertakings ('subsidiaries').

The results of subsidiaries acquired during the year are included from the effective date of acquisition.

1.5 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.6 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

Expenditure incurred on product development is initially carried forward within prepayments until its recoverability can be assessed with reasonable certainty. If irrecoverable it is written off immediately. If recoverable it is transferred and included within intangible fixed assets and amortised over the life of the product.

Trademarks and registrations are recognised at costs and amortised over the life of the asset.

Amortisation on current intangible fixed assets is provided at the following rates:

Portfolio of trademarks	-	5 years straight line
Other	-	10 or 20 years straight line
Goodwill	-	20 years straight line

ABBEY PHARMA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

1. Accounting Policies (continued)

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	-	20% on cost
Fixtures & fittings	-	20% - 33% on cost
Office equipment	-	20% - 33% on cost

1.8 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.9 Leasing and hire purchase

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.11 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

1.12 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

1.13 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

ABBEY PHARMA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

1. Accounting Policies (continued)

1.14 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

1.15 Deferred contingent consideration

Deferred contingent consideration is stated at fair value at the balance sheet date which is determined by discounting expected amounts due to present value at that date.

2. Turnover

The whole of the turnover is attributable to the sale of pharmaceutical products.

A geographical analysis of turnover is as follows:

	2015 £	Unaudited 2014 £
United Kingdom	9,556,913	5,957,753
Rest of European Union	244,346	-
Rest of world	22,342	-
	<u>9,823,601</u>	<u>5,957,753</u>

3. Operating profit

The operating profit is stated after charging/(crediting):

	2015 £	Unaudited 2014 £
Amortisation - intangible fixed assets	237,132	206,224
Depreciation of tangible fixed assets:		
- owned by the group	11,966	6,014
Auditors' remuneration	19,950	-
Auditors' remuneration - non-audit	24,000	-
Operating lease rentals:		
- other operating leases	56,795	31,128
Difference on foreign exchange	10,048	7,227
Profit on disposal on tangible fixed assets	-	(10,517)
	<u></u>	<u></u>

Auditors fees for the company were £3,000 (2014 - £NIL)

ABBAY PHARMA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

4. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2015 £	Unaudited 2014 £
Wages and salaries	746,808	279,049
Social security costs	82,891	26,412
Other pension costs	5,283	-
	<u>834,982</u>	<u>305,461</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2015 No.	Unaudited 2014 No.
Directors	3	3
Administration	9	5
	<u>12</u>	<u>8</u>

5. Directors' remuneration

	2015 £	Unaudited 2014 £
Remuneration	<u>268,712</u>	<u>36,000</u>
Company pension contributions to defined contribution pension schemes	<u>4,387</u>	<u>-</u>

During the year retirement benefits were accruing to 1 director (2014 - 0) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £94,624 (2014 - £12,000).

6. Interest payable

	2015 £	Unaudited 2014 £
On bank loans and overdrafts	67,340	7,892
On other loans	73,905	-
Other interest payable	2,410	-
	<u>143,655</u>	<u>7,892</u>

ABBEEY PHARMA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

7. Taxation

	2015 £	Unaudited 2014 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	36,015	193,343
Adjustments in respect of prior periods	12,137	-
Total current tax	<u>48,152</u>	<u>193,343</u>
Deferred tax (see note 15)		
Origination and reversal of timing differences	(27,299)	(1,245)
Tax on profit on ordinary activities	<u>20,853</u>	<u>192,098</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2014 - higher than) the standard rate of corporation tax in the UK of 21% (2014 - 23%). The differences are explained below:

	2015 £	Unaudited 2014 £
Profit on ordinary activities before tax	<u>115,698</u>	<u>814,849</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014 - 23%)	24,297	187,415
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	19,056	4,081
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	61,957	6,653
Capital allowances for year in excess of depreciation	(4,432)	1,110
Utilisation of tax losses	(63,975)	-
Adjustments to tax charge in respect of prior periods	12,137	-
Other differences leading to an increase (decrease) in the tax charge	(144)	(5,916)
Marginal relief	(744)	-
Current tax charge for the year (see note above)	<u>48,152</u>	<u>193,343</u>

Deferred tax has been provided at 20% in accordance with Financial Reporting Standard 19.

ABBEE PHARMA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

8. Intangible fixed assets

Group	Patents, licences and registrations £	Goodwill £	Total £
Cost			
At 1 May 2014	799,493	354,872	1,154,365
Additions	855,000	2,189,970	3,044,970
On acquisition of subsidiary	135,757	-	135,757
	<u>1,790,250</u>	<u>2,544,842</u>	<u>4,335,092</u>
At 30 April 2015			
Amortisation			
At 1 May 2014	740,281	88,718	828,999
Charge for the year	146,388	90,744	237,132
	<u>886,669</u>	<u>179,462</u>	<u>1,066,131</u>
At 30 April 2015			
Net book value			
At 30 April 2015	<u>903,581</u>	<u>2,365,380</u>	<u>3,268,961</u>
At 30 April 2014	<u>59,212</u>	<u>266,154</u>	<u>325,366</u>

On 1 October 2014 the group purchased a portfolio of trademarks at a cost of £850,000.

9. Tangible fixed assets

Group	Plant & machinery £	Fixtures & fittings £	Office equipment £	Total £
Cost				
At 1 May 2014	9,923	-	30,199	40,122
Additions	12,975	643	18,335	31,953
Disposals	-	(22,419)	(200)	(22,619)
On acquisition of subsidiary	-	1,634	-	1,634
	<u>22,898</u>	<u>(20,142)</u>	<u>48,334</u>	<u>51,090</u>
At 30 April 2015				
Depreciation				
At 1 May 2014	9,923	-	24,516	34,439
Charge for the year	2,595	150	9,221	11,966
On disposals	-	(22,419)	(200)	(22,619)
	<u>12,518</u>	<u>(22,269)</u>	<u>33,537</u>	<u>23,786</u>
At 30 April 2015				
Net book value				
At 30 April 2015	<u>10,380</u>	<u>2,127</u>	<u>14,797</u>	<u>27,304</u>
At 30 April 2014	<u>-</u>	<u>-</u>	<u>5,683</u>	<u>5,683</u>

ABBEEY PHARMA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

10. Fixed asset investments

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 May 2014	357,450
Additions	2,527,146
At 30 April 2015	2,884,596
Net book value	
At 30 April 2015	2,884,596
At 30 April 2014	357,450

Details of the principal subsidiaries can be found under note number 28.

11. Stocks

	Group		Company	
	2015	Unaudited 2014	2015	Unaudited 2014
	£	£	£	£
Finished goods and goods for resale	2,286,895	663,018	-	-

12. Debtors

	Group		Company	
	2015	Unaudited 2014	2015	Unaudited 2014
	£	£	£	£
Trade debtors	1,141,491	1,316,734	-	-
Amounts owed by group undertakings	-	-	440,180	-
Directors' current account	4,967	280,457	-	-
VAT repayable	10,114	-	10,114	-
Other debtors	30,056	129,449	-	1,965
Prepayments and accrued income	333,424	101,006	142,439	-
Deferred tax asset (see note 15)	26,541	-	-	-
	1,546,593	1,827,646	592,733	1,965

At the balance sheet date £4,967 (2014: £280,457) was owed to the group by the directors. Interest has been charged at a rate of 4% on these loans and the balances are repayable on demand.

ABBEEY PHARMA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

13. Creditors: Amounts falling due within one year

	Group		Company	
	2015	Unaudited 2014	2015	Unaudited 2014
	£	£	£	£
Bank loans and overdrafts	1,659,837	216,151	1,351,468	31,940
Other loans	500,000	-	500,000	-
Trade creditors	1,212,360	878,744	-	-
Amounts owed to group undertakings	-	-	1,000	262,933
Corporation tax	236,260	185,699	-	1
Other taxation and social security	198,275	143,280	13,641	-
Deferred contingent consideration	209,000	-	209,000	-
Other creditors	48,292	46,556	2,246	2,400
Accruals and deferred income	468,391	190,134	111,384	-
	4,532,415	1,660,564	2,188,739	297,274

Bank loans and overdrafts are secured by way of a fixed and floating charge over the company, or its subsidiaries where applicable, and all its assets present and future.

Other loans are secured by way of a debenture over the assets of the company.

Deferred contingent consideration is payable dependent on future sales levels of certain products in the Peckforton Pharmaceuticals portfolio.

ABBEY PHARMA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

14. Creditors: Amounts falling due after more than one year

	Group		Company	
	2015	Unaudited 2014	2015	Unaudited 2014
	£	£	£	£
Bank loans	833,300	72,426	833,300	72,426
Other loans	800,000	-	800,000	-
Deferred contingent consideration	441,000	-	441,000	-
	2,074,300	72,426	2,074,300	72,426

Included within the above are amounts falling due as follows:

	Group		Company	
	2015	Unaudited 2014	2015	Unaudited 2014
	£	£	£	£
Between one and two years				
Bank loans	666,640	72,426	666,640	72,426
Between two and five years				
Bank loans	166,660	-	166,660	-
Other loans	266,668	-	266,668	-
Over five years				
Other loans	533,332	-	533,332	-

Creditors include amounts not wholly repayable within 5 years as follows:

	Group		Company	
	2015	Unaudited 2014	2015	Unaudited 2014
	£	£	£	£
Repayable by instalments	533,332	-	533,332	-

Bank loans are repayable in 11 quarterly installments commencing on 31 July 2014. Annual interest is charged at 5.45% over bank base rate and is payable quarterly in arrears.

Other loans are repayable in 6 bi-annually installments commencing on 31 October 2019. Annual interest is charged at 8% and is payable quarterly in arrears.

ABBEY PHARMA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

15. Deferred taxation

	Group		Company	
	2015	Unaudited 2014	2015	Unaudited 2014
	£	£	£	£
At beginning of year	(758)	(2,003)	-	-
Released during the year (P&L)	27,299	1,245	-	-
At end of year	26,541	(758)	-	-

The deferred taxation balance is made up as follows:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Accelerated capital allowances	5,772	758	-	-
Tax losses brought forward	(32,313)	-	-	-
	(26,541)	758	-	-

16. Share capital

	2015	Unaudited 2014
	£	£
Allotted, called up and fully paid		
807 (2014 - 1,000) Ordinary shares of £1 each	807	1,000
193 A Ordinary shares of £1 each	193	-
	1,000	1,000

On 7 August 2014 193 Ordinary shares of £1 each were re-designated as 193 A Ordinary shares of £1 each.

Voting rights

Voting rights shares rank equally for voting purposes. On a show of hands each member shall have one vote and on a poll each member shall have one vote per share held. The voting rights conferred on holders of the A Ordinary shares shall not exceed 40% of the voting rights attaching to all shares.

Dividend rights

From the financial year commencing on 1 May 2019 holders of A Ordinary shares shall be entitled to receive in priority to the holders of the Ordinary shares in respect of each financial year a cumulative preferential net cash dividend of a sum which is equal to the higher of:

- (a) the Minimum Fixed Return (as defined in the articles of the Company); or
- (b) 7.5% of the Net Profits (as defined in the articles of the Company).

ABBHEY PHARMA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

16. Share capital (continued)

Subject to the prior written consent of BGF Investments LP, the balance of any profits to be distributed shall be distributed pro rata amongst the holders of the Ordinary Shares and A Ordinary Shares.

Capital

On an Exit (as defined in the articles of the Company) or a return of capital of the Company, the surplus assets and retained profits of the Company after payment of all liabilities (other than arrears and accruals of long term dividend) and or proceeds of the Exit will be applied as follows:

1. If such surplus assets and retained profits or proceeds of the Exit are less than the A Ordinary Threshold (as defined in the articles of the Company);

(a) firstly to the holders of the A Ordinary Shares up to the amounts credited as paid up on all issued A Ordinary shares, together with an amount equal to all arrears and accruals of long term dividends, whether earned or declared or not, and any other dividend declared on the A Ordinary Share; and:

(b) secondly the balance shall be paid to the holders of the Ordinary shares.

2. Except where 1 applies, the surplus assets and retained profits after the payment of all liabilities, arrears and accruals of long term dividend or proceeds of the Exit after payment of all arrears and accruals of long term dividend will be distributed pro rata amongst the holders of the Ordinary shares and A Ordinary shares.

Redemption

The A Ordinary shares are not redeemable.

17. Reserves

	Profit and loss account £
Group	
At 1 May 2014	1,105,532
Profit for the financial year	94,845
	<hr/>
At 30 April 2015	1,200,377
	<hr/> <hr/>
Company	
At 1 May 2014	(5,925)
Loss for the financial year	(780,785)
	<hr/>
At 30 April 2015	(786,710)
	<hr/> <hr/>

ABBEE PHARMA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

18. Purchase of subsidiary

On 7 August 2014 the company purchased 100% of the share capital of Peckforton Pharmaceuticals Limited. Profits for Peckforton Pharmaceuticals Limited for the year ended 30 April 2015 arising pre-acquisition were £65,522 (2014: £218,328 loss).

The following tables detail the net assets of the subsidiary undertaking acquired, the goodwill arising, and how the acquisition price was determined.

	Book value £	Adjustments £	Fair value £
Intangible fixed assets	135,757	-	135,757
Tangible fixed assets	1,363	-	1,363
Stock	1,139,151	-	1,139,151
Debtors	813,620	(175)	813,445
Creditors	(1,775,455)	22,915	(1,752,540)
Total	314,436	22,740	337,176

Net assets acquired

	2015 £
Fair value of assets acquired	337,176
Goodwill (note 8)	2,189,970
Acquisition price (note 10)	2,527,146

Satisfied by:

	£
Cash	1,877,146
Deferred consideration	650,000
Total	2,527,146

ABBEEY PHARMA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

19. Reconciliation of movement in shareholders' funds

	2015 £	Unaudited 2014 £
Group		
Opening shareholders' funds	1,106,532	483,781
Profit for the financial year	94,845	622,751
	<u>1,201,377</u>	<u>1,106,532</u>
Closing shareholders' funds		

	2015 £	Unaudited 2014 £
Company		
Opening shareholders' (deficit)/funds	(4,925)	1,003
Loss for the financial year	(780,785)	(5,928)
	<u>(785,710)</u>	<u>(4,925)</u>
Closing shareholders' deficit		

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and Loss Account.

The loss for the year dealt with in the accounts of the company was £780,785 (2014 - £5,928).

20. Net cash flow from operating activities

	2015 £	Unaudited 2014 £
Operating profit	251,360	817,774
Amortisation of intangible fixed assets	237,132	206,224
Depreciation of tangible fixed assets	11,966	6,014
Profit on disposal of tangible fixed assets	-	(10,517)
(Increase)/decrease in stocks	(484,726)	265,341
Decrease/(increase) in debtors	1,121,039	(372,477)
Decrease in creditors	(629,634)	(921,950)
	<u>507,137</u>	<u>(9,591)</u>
Net cash inflow/(outflow) from operating activities		

ABBEEY PHARMA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

21. Analysis of cash flows for headings netted in cash flow statement

	2015 £	Unaudited 2014 £
Returns on investments and servicing of finance		
Interest received	10,403	4,967
Interest paid	(143,655)	(7,892)
	<u> </u>	<u> </u>
Net cash outflow from returns on investments and servicing of finance	<u><u>(133,252)</u></u>	<u><u>(2,925)</u></u>
	2015 £	Unaudited 2014 £
Capital expenditure and financial investment		
Sale of intangible fixed assets	-	45,001
Purchase of intangible fixed assets	(855,000)	(4,200)
Purchase of tangible fixed assets	(31,953)	(992)
	<u> </u>	<u> </u>
Net cash (outflow)/inflow from capital expenditure	<u><u>(886,953)</u></u>	<u><u>39,809</u></u>
	2015 £	Unaudited 2014 £
Acquisitions and disposals		
Purchase of fixed asset investments	(1,877,146)	-
	<u> </u>	<u> </u>
	2015 £	Unaudited 2014 £
Financing		
New secured loans	2,000,000	-
Repayment of loans	(604,426)	(128,416)
Repayment of debts in acquired subsidiary	(454,574)	-
Other new loans	1,300,000	-
	<u> </u>	<u> </u>
Net cash inflow/(outflow) from financing	<u><u>2,241,000</u></u>	<u><u>(128,416)</u></u>

ABBEEY PHARMA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

22. Analysis of changes in net debt

	Unaudited 1 May 2014 £	Cash flow £	Acquisition £	Other non-cash changes £	30 April 2015 £
Cash at bank and in hand	18,567	659,772	-	-	678,339
Bank overdraft	(184,211)	(808,986)	-	-	(993,197)
	<u>(165,644)</u>	<u>(149,214)</u>	<u>-</u>	<u>-</u>	<u>(314,858)</u>
Debt:					
Debts due within one year	(31,940)	(1,018,798)	(115,902)	-	(1,166,640)
Debts falling due after more than one year	(72,426)	(1,222,202)	(338,672)	-	(1,633,300)
	<u>(270,010)</u>	<u>(2,390,214)</u>	<u>(454,574)</u>	<u>-</u>	<u>(3,114,798)</u>
Net debt	<u>(270,010)</u>	<u>(2,390,214)</u>	<u>(454,574)</u>	<u>-</u>	<u>(3,114,798)</u>

23. Contingent liabilities

An intercompany guarantee exists between Abbey Pharma Limited and its subsidiaries in respect of bank loans and overdrafts. At 30 April 2015 those guarantees amounted to £2.4M (2014: £288k).

24. Pension commitments

The pension cost charge in 2014 represents contributions payable by the group to defined contribution pension schemes and amounted to £10,703 (2014: £nil).

Contributions totalling £774 (2014: £nil) were payable to the scheme at the balance sheet date.

25. Operating lease commitments

At 30 April 2015 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings Unaudited		Other Unaudited	
Group	2015 £	2014 £	2015 £	2014 £
Expiry date:				
Between 2 and 5 years	<u>43,488</u>	<u>-</u>	<u>2,715</u>	<u>-</u>

ABBEY PHARMA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2015

26. Related party transactions

An amount of £62,878 (2014: £140,000) was invoiced during the year to Intrapharm Laboratories Limited by Abbey House Consulting Limited, a company controlled by K James, a director and shareholder of the group. At the balance sheet date the amount due to Abbey House Consulting Limited was £36,880 (2014: £3,500).

An amount of £63,839 (2014: £170,269) was invoiced during the year to Intrapharm Laboratories Limited by Diamond Consultants Limited, a company controlled by S Choudhary, a director and shareholder of the group. At the balance sheet date the amount due to Diamond Consultants Limited was £35,775 (2014: £nil).

An amount of £nil (2014: £219,561) was invoiced during the year to Intrapharm Laboratories Limited by Lucknow Consulting Limited, a company controlled by G Michael, a director and shareholder of the group during the year. At the balance sheet date the amount due to Lucknow Consulting Limited was £nil (2014: £1,000).

During the year Intrapharm Laboratories Limited entered into transactions, in the ordinary course of business, with Henley Laboratories Limited, a company under common control. Total purchases during the period amounted to £21,989 (2014: £505,336) and total sales amounted to £13,605 (2014: £nil). A loan in the sum of £50,000 was extended to Henley Laboratories Limited during the prior year. This was repayable on demand and non-interest bearing. At the balance sheet date total amounts due from Henley Laboratories were £8,095 (2014: £555,336).

During the year Intrapharm Laboratories Limited made advances to K James, a director and shareholder of the group. The balances are interest bearing and are repayable on demand. At the balance sheet date the amount due from K James was £30,735 (2014: £165,495).

During the year Intrapharm Laboratories Limited made advances to S Choudhary, a director and shareholder of the group. The balances are interest bearing and are repayable on demand. At the balance sheet date the amount due from S Choudhary was £29,813 (2014: £114,963).

The company has taken advantage of the exemptions under FRS 8 - Related Party Transactions which permits subsidiaries not to disclose transactions with other group companies where at least 90% of the voting rights are controlled within the group.

27. Controlling party

The ultimate controlling party is Mr K James and Mr S Choudhary, directors and shareholders of Abbey Pharma Limited.

28. Principal subsidiaries

Company name	Country	Percentage Shareholding	Description
Intrapharm Laboratories Limited	England	100	Manufacture and supply of pharmaceutical products
Peckforton Pharmaceuticals Limited	England	100	Manufacture and supply of pharmaceutical products
Abbey Pharmaceuticals Limited	England	100	Dormant company