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Registered number: NI 061202

# Almac Clinical Technologies Limited

# Annual report

# for the year ended 30 September 2008

# Almac Clinical Technologies Limited

## Annual report for the year ended 30 September 2008


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# Directors and advisers

### Executive directors

Dr Sir Allen McClay OBE, CBE – Chairman
A D Armstrong
J W Irvine
R A Milliken
J Murphy
C Hayburn

### Non-executive directors

S Campbell

### Company secretary

C Hayburn

### Registered office

Almac House
20 Seagoe Industrial Estate
Craigavon
BT63 5QD

### Solicitors

Carson & McDowell
Murray House
Murray Street
Belfast
BT1 6DN

### Bankers

Northern Bank Limited
45-48 High Street
Portadown
BT62 1LB

### Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Waterfront Plaza
8 Laganbank Road
Belfast
BT1 3LR

# Directors' report for the year ended 30 September 2008

The directors present their report and the audited financial statements for the year ended 30 September 2008.

## Principal activities

Almac Clinical Technologies Limited is a private company incorporated in Northern Ireland. The registered address is detailed on page 1. The principal activities of the company are the provision of Interactive Voice Response Systems (IVRS) and the management of clinical trials drug supply to customers in the pharmaceutical sector.

## Review of business and future developments

The results for the year are as set out on page 5. The business has progressed satisfactorily during the year. The directors are continually investigating techniques to ensure increased efficiency of operation.

## Results and dividends

The profit for the financial year is £263,615 (2007: £nil). The directors do not recommend payment of a dividend (2007:nil).

## Directors

The directors who served during the year are shown on page 1.

## Employees

The company's policy is to consult and discuss with employees those matters likely to affect employees' interests.

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Arrangements are made, whenever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

## Small companies' exemption

This report has been prepared in accordance with the special provisions of Part VIII of the Companies (Northern Ireland) Order 1986 relating to small companies.

## Statement of disclosure of information to auditors

So far as each of the directors in office at the date of approval of these financial statements is aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

By order of the Board

C Hayburn
**Company secretary**
20 February 2009

## Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are required by law to 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the financial statements comply with IFRSs as adopted by the European Union; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company to enable them to ensure that the financial statements comply with the Companies (Northern Ireland) Order 1986. 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.

By order of the Board

C Hayburn
**Company secretary**
20 February 2009

# Independent auditors' report to the members of Almac Clinical Technologies Limited

We have audited the financial statements of Almac Clinical Technologies Limited for the year ended 30 September 2008, which comprise the income statement, the statement of changes in shareholders' equity, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

## Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Article 243 of the Companies (Northern Ireland) Order 1986 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986. We also report to you whether in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

## Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 30 September 2008 and of its profit and cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986;and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

**PricewaterhouseCoopers LLP**
Chartered Accountants and Registered Auditors
Belfast
6 March 2009

## Income statement for the year ended 30 September 2008

| | Notes | 2008 £ | 2007 £ |
|---|---|---|---|
| **Continuing operations** | | | |
| Revenue | 2 | **1,320,640** | - |
| Cost of sales | | **(760,622)** | - |
| **Gross profit** | | **560,018** | - |
| Sales and marketing costs | | **(139,828)** | - |
| Administrative expenses | | **(140,204)** | - |
| **Operating profit** | | **279,986** | - |
| **Analysed as:** | | | - |
| Operating profit before depreciation and amortisation ("EBITDA") | | **286,983** | - |
| Depreciation | | **(6,373)** | - |
| Amortisation of intangibles | | **(624)** | - |
| Finance costs | 5 | **(20,255)** | - |
| Finance income | 5 | **3,884** | - |
| Finance (costs)/income - net | 5 | **(16,371)** | - |
| **Profit before income tax** | | **263,615** | - |
| Income tax | 8 | **-** | - |
| **Profit for the year attributable to equity shareholders** | | **263,615** | - |

## Statement of changes in shareholders' equity

| | Attributable to equity holders of the company | | |
|---|---|---|---|
| | **Share capital £** | **Retained earnings £** | **Total equity £** |
| At 1 October 2006 and at 1 October 2007 | 1 | - | 1 |
| Profit for the year | - | 263,615 | 263,615 |
| **At 30 September 2008** | **1** | **263,615** | **263,616** |

## Balance sheet at 30 September 2008

| | Notes | 2008 £ | 2007 £ |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Intangible assets | 9 | **2,494** | - |
| Property, plant and equipment | 10 | **19,806** | - |
| **Total non-current assets** | | **22,300** | - |
| **Current assets** | | | |
| Trade and other receivables | 11 | **298,695** | 1 |
| **Total current assets** | | **298,695** | 1 |
| **Total assets** | | **320,995** | 1 |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 13 | **43,833** | - |
| Borrowings | 14 | **13,546** | - |
| **Total liabilities** | | **57,379** | - |
| **Equity** | | | |
| **Capital and reserves attributable to equity holders of the company** | | | |
| Share capital | 15 | **1** | 1 |
| Retained earnings | | **263,615** | - |
| **Total equity** | | **263,616** | 1 |
| **Total equity and liabilities** | | **320,995** | 1 |

The notes on pages 9 to 18 are an integral part of the financial statements.

The financial statements on pages 5 to 18 were approved by the board on 23 February 2009 and were signed on its behalf by:

A D Armstrong

R A Milliken

**Directors**

## Cash flow statement for the year ended 30 September 2008

| | Notes | 2008 £ | 2007 £ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash generated from operations | 16 | 328,154 | - |
| Interest paid | | (20,255) | - |
| Interest received | | 3,884 | - |
| Net cash generated from operating activities | | 311,783 | - |
| **Cash flows from investing activities** | | | - |
| Purchases of property, plant and equipment | | (1,224) | - |
| Purchases of intangible assets | | (2,451) | - |
| Net cash used in investing activities | | (3,675) | - |
| **Cash flows from financing activities** | | | - |
| Advances to related parties | | (321,654) | - |
| Net cash outflow from financing activities | | (321,654) | - |
| **Net decrease in cash and cash equivalents** | | (13,546) | - |
| Cash, cash equivalents and bank overdraft at beginning of the year | | - | - |
| **Cash, cash equivalents and bank overdraft at end of the year** | 12 | (13,546) | - |

# Notes to the financial statements for the year ended 30 September 2008

## 1 Accounting policies

### General information

The company's principal activities during the year were as described in the directors' report.

The financial statements are presented in sterling.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union, IFRIC interpretations and with those parts of the Companies (Northern Ireland) Order 1986 applicable to companies reporting under IFRS. These financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Management have concluded that there are no critical assumptions or estimates involving a high degree of judgment or complexity which require further disclosure under IFRS 1. The company's accounting policies and estimates are detailed below.

### Standards, amendments and interpretations effective in the year to 30 September 2008

During the year, the following standards, amendments and interpretations became effective:

| | | Effective date |
|---|---|---|
| International Financial Reporting Standards (IASs/IFRSs) | | |
| Amendment to IAS 1 | Capital disclosures | 1 January 2007 |
| IFRS 7 | Financial instruments: Disclosures | 1 January 2007 |
| International Financial Reporting Interpretation Committee (IFRIC) | | |
| IFRIC 10 | Interim financial reporting and impairment | 1 November 2006 |
| IFRIC 11 | Group and treasury share transactions | 1 March 2007 |

IFRS 7, 'Financial instruments: Disclosures', and the complementary amendment to IAS 1 'Presentation of financial statements – Capital disclosures', introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the company's financial instruments, or the disclosures relating to taxation and trade and other payables.

Neither of the IFRIC interpretations has any material impact on these financial statements.

## 1 Accounting policies (continued)

**Standards, amendments and interpretations that are not yet effective and have not been adopted early by the company**

During the year, the IASB and IFRIC have issued the following standards, amendments and interpretations with an effective date after the date of these financial statements (i.e. applicable to accounting periods beginning on or after the effective date);

| | | Effective date |
|---|---|---|
| International Financial Reporting Standards (IASs/IFRSs) | | |
| IFRS 8 | Operating segments | 1 January 2009 |
| IAS 23 * | Borrowing costs (revised) | 1 January 2009 |
| Amendment to IAS 39 * | Financial instruments: Eligible hedged items | 1 January 2009 |
| Amendment to IFRS 1 * | First time adoption of IFRS | 1 January 2009 |
| IAS 27 * | Consolidated and separate financial statements (revised) | 1 July 2009 |
| Amendment to IAS 32 * | Financial instruments: Presentation | 1 January 2009 |
| IAS 1 * | Presentation of financial statements (revised) | 1 January 2009 |
| Amendment to IFRS 2 * | Share based payments | 1 January 2009 |
| IFRS 3 * | Business combinations (revised) | 1 July 2009 |
| International Financial Reporting Interpretation Committee (IFRIC) | | |
| IFRIC 12 * | Service concession arrangements | 1 January 2008 |
| IFRIC 13 * | Customer loyalty programmes | 1 July 2008 |
| IFRIC 14 * | IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction | 1 January 2008 |
| IFRIC 15 * | Agreements for construction of real estate | 1 January 2009 |
| IFRIC 16 * | Hedges of a net investment in a foreign operator | 1 October 2008 |

The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Company's financial statements in the period of initial application.

* These standards have not yet been adopted by the European Union.

**Intangible assets - computer software**

The costs of acquiring and bringing into use computer software are capitalised and amortised on a straight-line basis over the estimated useful economic life of the software which is between three to five years.

Capitalised software development costs include external direct costs of material and services together with direct labour costs relating to software development and an appropriate portion of directly attributable overheads.

**Property, plant and equipment**

Property, plant and equipment is stated at historical cost less depreciation. The cost of assets is their purchase cost, together with any incidental costs of acquisition. For all assets depreciation is calculated so as to write off the cost less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used are as follows:

| | years |
|---|---|
| Machinery and equipment | 5 |
| Computer equipment | 5 |

The assets' residual values and useful economic lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within other (losses)/gains – net, in the income statement.

## 1 Accounting policies (continued)

**Financial assets**

The company classifies all its financial assets as loans and receivables or cash and cash equivalents.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The company's loans and receivables comprise 'trade and other receivables' and cash and cash equivalents in the balance sheet.

**Trade and other receivables**

Trade and other receivables are recognised initially at fair value and carried at the lower of their original invoiced value and recoverable amount. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against the income statement.

**Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

**Trade and other payables**

Trade and other payables are stated at fair value.

**Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

**Grants**

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate. Grants relating to property, plant and equipment are included in non-current liabilities as deferred grants and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

**Research and development**

Expenditure on research is written off in the year in which it is incurred. Development expenditure is capitalised when the criteria for recognising an asset are met.

## 1 Accounting policies (continued)

**Current and deferred income tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In this case the tax is also recognised in equity.

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

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

**Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the company's activities. Revenue is shown, net of value-added tax, returns, rebates and discounts. The company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The company considers this to be upon completion of the service, when results of testing performed has been returned to the client.

**Foreign currency translation**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in UK pounds, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency at the exchange rate ruling on the date of transaction. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the income statement. All monetary assets and liabilities denominated in foreign currency are translated at the rate of exchange ruling at the balance sheet date and the resulting gain/loss is taken to the income statement.

**Pension obligations**

The company operates a group defined contribution plan for employees whereby the assets of the plan are held separately from those of the company in an independently administered plan. Contributions are charged to the income statement in the year to which they relate.

**Critical accounting policies**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. There were no critical estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## 2 Revenue

Revenue is attributable to the company's principal activities carried out in the United Kingdom.

## 3 Financial risk management

### Financial risk factors

The company's operations expose it to a variety of financial risks: market risk (including currency risk and cash flow interest rate risk), credit risk and liquidity risk. Interest-bearing assets consist of short-term bank deposits and receivables from related undertakings. Interest-bearing liabilities consist of bank overdrafts and amounts owed to related parties. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the group by monitoring the foregoing risks.

Market risk

(i) Foreign exchange risk

While the greater part of the company's revenues and expenses are denominated in sterling, the company is exposed to foreign exchange risk in the normal course of business. While the company has not used financial instruments to date to hedge foreign exchange exposure, this position is kept constantly under review. At the year-end there is no exposure to foreign exchange risk as all balances are entirely denominated in sterling.

(ii) Cash flow interest rate risk

The company's interest rate risk arises from overdrafts. There is no exposure of cash flow interest rate risk to the company. Company policy is to maintain a mix of interest free advances and loans from group companies, variable interest rate borrowings from related parties and external overdraft facilities. This approach limits the company's exposure to external interest rate fluctuations to a significantly lower level than could be achieved if its funding needs were met externally.

(iii) Price risk

The company is not exposed to commodity price risk as a result of its operations nor is the company exposed to equity securities price risk as it holds no listed or other equity investments.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The amount of exposure to individual customers is subject to limits, which are reassessed regularly.

Liquidity risk

The company projects cash flow requirements as part of its annual budget setting process. Cash requirements are monitored dynamically by the company's ultimate parent undertaking, with resources deployed to the company as required.

## 4 Capital risk management

The company's ultimate parent undertaking's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. For further details, refer to the report and financial statements for the ultimate parent undertaking, Almac Group Limited.

## 5 Finance (costs)/income - net

| | **2008** | 2007 |
|---|---|---|
| | **£** | £ |
| Finance costs - net foreign exchange losses on financing activities | **(20,255)** | - |
| Finance income – interest on bank deposits | **3,884** | - |
| **Finance (costs)/income – net** | **(16,371)** | - |

## 6 Expenses by nature

| | 2008 £ | 2007 £ |
|---|---|---|
| Staff costs (note 7) | **912,277** | - |
| Depreciation and amortisation | **6,997** | - |
| Operating lease payments | **820** | - |
| Revenue grant received | **(153,000)** | - |
| Other expenses | **273,560** | - |
| **Total cost of sales, sales & marketing costs and administrative expenses** | **1,040,654** | - |

**Services provided by the company's auditors and network firms**

During the year the company obtained the following services from the company's auditor at costs as detailed below.

| | 2008 £ | 2007 £ |
|---|---|---|
| Audit services | | |
| - Statutory audit | **3,750** | - |
| - Other | **17,385** | - |
| | **21,135** | - |

## 7 Employees and directors

| | 2008 £ | 2007 £ |
|---|---|---|
| **Staff costs during the year** | | |
| Wages and salaries | **804,998** | - |
| Social security costs | **90,842** | - |
| Other pension costs – defined contribution | **16,437** | - |
| | **912,277** | - |

| | Number | Number |
|---|---|---|
| **Average monthly number of persons employed (including directors) during the year by activity** | | |
| Production | **26** | - |
| Sales and marketing | **2** | - |
| Administration | **5** | 5 |
| | **33** | 5 |

No directors (2007: nil) have retirement benefits accruing under a money purchase scheme. Directors did not receive any emoluments in either 2008 or 2007.

## 8 Income tax

| | 2008 | 2007 |
|---|---|---|
| | £ | £ |
| **Income tax** | - | - |

Tax assessed for the period differs from that derived from the standard rate of Corporation Tax in the UK of 28% (2007:30%). The differences are explained below:

| | 2008 | 2007 |
|---|---|---|
| | £ | £ |
| **Profit before tax** | **263,615** | - |
| Profit before tax at the UK standard rate of 28% (2007:30%) | **73,812** | - |
| Effects of: | | |
| Expenses not deductible for tax purposes | **4,737** | - |
| Group relief not paid | **(80,508)** | - |
| Deferred tax not provided | **1,959** | - |
| **Income tax** | - | - |

## 9 Intangible assets

| | Computer software £ |
|---|---|
| **Cost** | |
| At 1 October 2007 | - |
| Transfers | 667 |
| Additions | 2,451 |
| **At 30 September 2008** | **3,118** |
| | |
| **Accumulated amortisation** | |
| At 1 October 2007 | - |
| Charge for year | 624 |
| **At 30 September 2008** | **624** |
| | |
| **Net book value** | |
| **At 30 September 2008** | **2,494** |
| At 30 September 2007 | - |

## 10 Property, plant and equipment

| | Machinery and equipment £ | Computer equipment £ | Total £ |
|---|---|---|---|
| **Cost** | | | |
| At 1 October 2007 | - | - | - |
| Transfers from related parties | 2,897 | 22,058 | 24,955 |
| Additions | - | 1,224 | 1,224 |
| **At 30 September 2008** | **2,897** | **23,282** | **26,179** |
| **Accumulated depreciation** | | | |
| At 1 October 2007 | - | - | - |
| Charge for year | 517 | 5,856 | 6,373 |
| **At 30 September 2008** | **517** | **5,856** | **6,373** |
| **Net book value** | | | |
| **At 30 September 2008** | **2,380** | **17,426** | **19,806** |
| At 30 September 2007 | - | - | - |

Depreciation is included within administrative expenses in the income statement.

## 11 Trade and other receivables

| | **2008** £ | 2007 £ |
|---|---|---|
| Amounts owed by group undertakings | **296,032** | - |
| Prepayments and accrued income | **2,663** | 1 |
| | **298,695** | 1 |

The fair values of trade and other receivables are not materially different from their carrying value. For the purposes of IFRS 7, all of the company's financial assets are classified as loans and receivables. The company has no assets that may be classified as held at fair value through profit and loss, derivatives used for hedging or available-for-sale.

The carrying amount of the company's trade and other receivables are denominated in the following currencies:

| | **2008** £ | 2007 £ |
|---|---|---|
| **Currency** | | |
| UK Pound | **298,695** | 1 |

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable above.

## 12 Cash and cash equivalents

| | 2008 | 2007 |
|---|---|---|
| | £ | £ |
| Cash at bank and in hand | - | - |

Cash, cash equivalents and bank overdrafts include the following for the purposes of the cash flow statement:

| | 2008 | 2007 |
|---|---|---|
| | £ | £ |
| Bank overdraft (note 14) | (13,546) | - |

## 13 Trade and other payables

| | 2008 | 2007 |
|---|---|---|
| | £ | £ |
| Trade payables | 11,250 | - |
| Other tax and social security | 27,566 | - |
| Accruals | 5,017 | - |
| | 43,833 | - |

The fair values of trade and other payables are not materially different from their carrying value as the impact of discounting is not significant.

## 14 Borrowings

| | 2008 | 2007 |
|---|---|---|
| | £ | £ |
| Bank overdraft | 13,546 | - |

The fair value of borrowings equals their carrying amount as the impact of discounting is not significant. For the purposes of IFRS 7, the financial liabilities noted above are classified as other financial liabilities. The company has no liabilities that may be classified as held at fair value through profit and loss or derivatives used for hedging.

The carrying amounts of the company's borrowings are denominated entirely in sterling.

## 15 Called up share capital

| | 2008 | 2007 |
|---|---|---|
| **Authorised** | £ | £ |
| 50,000,000 ordinary shares of £1 each | 50,000,000 | 50,000,000 |

| | 2008 | 2007 |
|---|---|---|
| **Issued and fully paid** | £ | £ |
| 1 ordinary share of £1 | 1 | 1 |

## 16 Cash generated from operations

Reconciliation of net profit to net cash flow generated from operations:

| | 2008 | 2007 |
|---|---|---|
| | £ | £ |
| Net profit | **263,615** | - |
| Adjustment for: | | |
| Depreciation charge | **6,373** | - |
| Amortisation charge | **624** | - |
| Finance costs | **20,255** | - |
| Finance income | **(3,884)** | - |
| Increase in trade and other receivables | **(2,662)** | - |
| Increase in payables | **43,833** | - |
| **Net cash generated from operations** | **328,154** | - |

## 17 Pension commitments

The company operates a defined contribution plan for employees whereby the assets of the plan are held separately from those of the company in an independently administered plan.

Pension costs for the defined contribution plan are as follows:

| | 2008 | 2007 |
|---|---|---|
| | £ | £ |
| Defined contribution plan | **16,437** | - |

## 18 Contingent liabilities

The company is party to an unlimited inter-company cross company guarantee in relation to group banking facilities in the United Kingdom. There exists a contingent liability to repay certain revenue grants received from Invest Northern Ireland if certain conditions are not met. The directors do not anticipate any repayment falling due under the terms on which the grants were received as there are no unfulfilled conditions.

## 19 Ultimate controlling party and related party transactions

The immediate parent undertaking of the smallest group of undertakings of which the company is a member and for which group financial statements are prepared is Almac Group (UK) Limited, a company incorporated in Northern Ireland. The registered office of Almac Group Limited is Almac House, 20 Seagoe Industrial Estate, Craigavon, BT63 5QD.

The ultimate parent undertaking of the company and the parent undertaking of the largest group of undertakings of which the company is a member and for which group financial statements are prepared is Almac Group Limited, a company incorporated in Northern Ireland. The registered office of Almac Group Limited is Almac House, 20 Seagoe Industrial Estate, Craigavon, BT63 5QD. Copies of the group financial statements are available from the registered office. The ultimate controlling party is Dr Sir Allen McClay.

Transactions entered into during the year with related parties were as follows:

| | 2008 | 2007 |
|---|---|---|
| | £ | £ |
| Sales to related parties | **1,320,640** | - |

Details of balances owed by group undertakings are disclosed in note 11.