

Almac Clinical Technologies Limited
Annual report and financial statements
for the year ended 30 September 2010

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Almac Clinical Technologies Limited

Annual report and financial statements for the year ended 30 September 2010

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Directors and advisers

Directors

Dr Sir Allen McClay OBE CBE – Chairman (deceased 12 January 2010)
A D Armstrong
J W Irvine
J Murphy
C Hayburn
S Campbell

Company secretary

C Hayburn

Registered office

Almac House
20 Seagoe Industrial Estate
Craigavon
County Armagh
BT63 5QD

Solicitors

McGrigors LLP
Arnott House
12-16 Bridge Street
Belfast
BT1 1LS

Bankers

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

Independent auditors

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

Directors' report for the year ended 30 September 2010

The directors present their annual report and the audited financial statements of the company for the year ended 30 September 2010

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

The results for the year are as set out on page 6. The business has progressed satisfactorily during the year. The directors are continually investigating techniques to ensure increased efficiency of operation.

Financial risk management

Given the nature of its operations, the company has minimal exposure to foreign exchange risk. Regarding credit risk, it is standard company policy to perform appropriate credit checks on all potential customers before contracts are entered into. Further commentary is provided in note 3.

Results and dividends

The profit for the financial year is £308,390 (2009: £237,086). The directors do not recommend payment of a dividend (2009: £nil).

Directors

The directors who served during the year and up to the date of approval of the financial statements are shown on page 1.

Going concern

The directors have prepared cash flow forecasts for a period of at least 12 months from the date of signing this report and consequently have a reasonable expectation that the company has adequate financial resources to meet its operational needs for the foreseeable future and therefore the going concern basis has been adopted in preparing the financial statements.

Employees

The company systematically provides employees with all information on matters of concern to them, consulting them or their representatives regularly so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the company is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the company plays a major role in objectives.

The company is committed to employment policies which follow best practice based on equal opportunities for all employees irrespective of sex, race, colour, disability or marital status. The company gives full and fair considerations to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the company. If members of staff become disabled, the company continues employment, either in the same or an alternative position within appropriate retraining being given if necessary.

Small companies' exemption

This report has been prepared in accordance with the special provisions under part 15 of the Companies Act 2006 relating to small companies.

Directors' report for the year ended 30 September 2010

Statement of disclosure of information to auditors

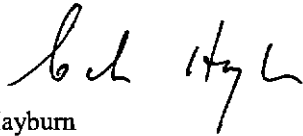
So far as each of the directors in office at the date of approval of these financial statements is aware

- 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
21 January 2011

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements the directors are required to

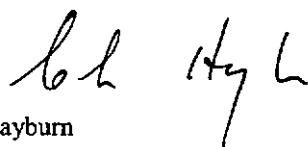
select suitable accounting policies and then apply them consistently

- make judgements and accounting estimates that are reasonable and prudent and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board



C Hayburn
Company secretary
21 January 2011

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 2010 which comprise the income statement the statement of changes in equity the balance sheet the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities set out on page 4, 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 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, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors and the overall presentation of the financial statements.

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 30 September 2010 and of its profit and cash flows for the year then ended
have been properly prepared in accordance with IFRSs as adopted by the European Union, and
have been prepared in accordance with the requirements of the Companies Act 2006.


Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Stephen Curragh (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Belfast
21 January 2011

Income statement for the year ended 30 September 2010

	Note	2010 £	2009 £
Continuing operations			
Revenue	2	2 262 197	1 665 910
Cost of sales	6	(1 391 998)	(1 055 485)
Gross profit		870 199	610 425
Sales and marketing costs	6	(251 858)	(186 544)
Administrative expenses	6	(313 176)	(187 469)
Operating profit		305 165	236 412
Operating profit is analysed as			
EBITDA		319 547	243 270
Depreciation of property plant and equipment		(13 757)	(6 234)
Amorisation of intangible assets		(625)	(624)
Finance income	5	3 225	674
Profit before income tax		308 390	237 086
Income tax expense	8		
Profit for the year attributable to owners of the company		308 390	237 086

The notes on pages 10 to 22 are an integral part of the financial statements

There is no other comprehensive income for the year (2009 £nil)

Statement of changes in equity for the year ended 30 September 2010

	Share capital £	Retained earnings £	Total equity £
At 1 October 2008	1	263 615	263 616
Profit for the year and total comprehensive income		237 086	237 086
At 1 October 2009	1	500 701	500 702
Profit for the year and total comprehensive income		308 390	308 390
At 30 September 2010	1	809 091	809 092

The notes on pages 10 to 22 are an integral part of the financial statements

Balance sheet as at 30 September 2010

	Note	2010 £	2009 £
Assets			
Non current assets			
Intangible assets	9	1 245	1 870
Property plant and equipment	10	59 826	41 842
Total non current assets		61 071	43 712
Current assets			
Trade and other receivables	11	910 129	582 190
Total current assets		910 129	582 190
Total assets		971 200	625 902
Liabilities			
Current liabilities			
Trade and other payables	13	116 720	96 799
Borrowings	14	3 113	14 090
Total current liabilities		119 833	110 889
Non current liabilities			
Other non current liabilities	16	42 275	14 311
Total non current liabilities		42 275	14 311
Total liabilities		162 108	125 200
Equity			
Capital and reserves attributable to owners of the company			
Share capital	17	1	1
Retained earnings		809 091	500 701
Total equity		809 092	500 702
Total equity and liabilities		971 200	625 902

The notes on pages 10 to 22 are an integral part of the financial statements

The financial statements on pages 6 to 22 were approved by the board on 21 January 2011 and were signed on its behalf by



A D Armstrong (director)

Cash flow statement for the year ended 30 September 2010

	Note	2010 £	2009 £
Cash flows from operating activities			
Cash generated from operations	18	456 338	222 692
Net cash generated from operating activities		456 338	222 692
Cash flows from investing activities			
Purchases of property plant and equipment		(31 741)	(28 270)
Interest received		3 225	674
Net cash used in investing activities		(28 516)	(27 596)
Cash flows from financing activities			
Advances to group undertakings		(416 845)	(195 640)
Net cash used in financing activities		(416 845)	(195 640)
Net increase/(decrease) in cash and cash equivalents and bank overdraft		10 977	(544)
Cash cash equivalents and bank overdraft at beginning of the year		(14 090)	(13 546)
Cash cash equivalents and bank overdraft at end of the year	12	(3 113)	(14 090)

The notes on pages 10 to 22 are an integral part of the financial statements

Notes to the financial statements for the year ended 30 September 2010

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. Almac Clinical Technologies Limited is a private limited company incorporated and domiciled in Northern Ireland. The registered address is detailed on page 1. 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 (IFRSs) as adopted by the European Union, IFRIC interpretations and with those parts of the Companies Act 2006 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, estimates or judgements involving a high degree of judgment or complexity which require further disclosure. The company's accounting policies and estimates are detailed below.

New standards, amendments and interpretations effective in the year to 30 September 2010

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

International Accounting Standards (IASs/IFRSs)		Effective date
IFRS 1 (revised)	First time adoption of IFRS	1 January 2009
IFRS 1 (amendment)	First time adoption of IFRS	1 January 2009
IFRS 2 (amendment)	Share based payments	1 January 2009
IFRS 3 (revised)	Business combinations	1 July 2009
IFRS 7 (amendment)	Financial instruments – Disclosures	1 January 2009
IFRS 8	Operating segments	1 January 2009
IFRS 9*	Financial instruments	1 January 2009
IAS 1 (revised)	Presentation of financial statements	1 January 2009
IAS 23 (revised)	Borrowing costs	1 January 2009
IAS 27 (revised)	Consolidated and separate financial statements	1 July 2009
IAS 32 (amendment)	Financial instruments – Presentation	1 January 2009

International Financial Reporting Interpretation Committee (IFRIC) Interpretations

IFRIC 15	Agreements for construction of real estate	1 January 2009
IFRIC 17	Distribution of non-cash assets to owners	1 July 2009

* not yet adapted by the European Union

The following standards are mandatory and applicable for the first time for the year beginning 1 October 2009. The remaining standards are not currently relevant to the company.

IFRS 3(revised) Business combinations – effective 1 July 2009. The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with IFRS 3. For example, all payments to purchase a business are recorded at fair value at acquisition date, with contingent payments classified as debt subsequently re-measured through the statement of comprehensive income. There is a choice on an acquisition by acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed. The company is aware of the changes to the standard and will apply these prospectively.

IFRS 7 (amendment) Financial instruments – Disclosures – effective 1 January 2009. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The company has applied this previously and no changes have been considered necessary to the presentation or disclosure of financial instruments.

Notes to the financial statements for the year ended 30 September 2010

1 Accounting policies (continued)

New standards amendments and interpretations effective in the year to 30 September 2010 (continued)

IAS 1 (revised) Presentation of financial statements – effective 1 January 2009 The revised standard prohibits the presentation of items of income and expenses (that is non owner changes in equity) in the statement of changes in equity requiring non owner changes in equity to be presented separately from owner changes in equity in a statement of comprehensive income As a result the company will present in the statement of changes in equity all owner changes in equity whereas all non owner changes in equity will be presented in the statement of comprehensive income As the changes in accounting policy will only impact presentation aspects there will be no impact on the company's results

IAS 23 (revised) Borrowing costs – effective 1 January 2009 This revised standard results from a joint short term convergence project with the FASB It requires an entity to capitalise borrowing costs directly attributable to the acquisition construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset The option of immediately expensing those borrowing costs has been removed This treatment is consistent with prior policy and has no impact on company's accounting policies

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 accounting standards 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 Accounting Standards (IASs/IFRSs)		
IFRS 1 (amendment)	First time adoption of IFRS	1 January 2010
IFRS 1 (amendment)	First time adoption of IFRS – additional exemptions	1 July 2010
IFRS 2 (amendment)	Share based payments – Group cash settled share based payment transactions	1 January 2010
IFRS 7 (amendment)	Financial instruments – Disclosures on derecognition	1 January 2011
IAS 1 (amendment)	Presentation of financial statements	1 January 2010
IAS 24 (revised)	Borrowing costs	1 January 2011
IAS 32 (amendment)	Financial instruments – Presentation	1 February 2010

International Financial Reporting Interpretation Committee (IFRIC) Interpretations

IFRIC 14	IAS 19 – Prepayments of a minimum funding requirement	1 January 2011
IFRIC 18	Transfer of assets from customers	31 October 2010
IFRIC 19	Extinguishing financial liabilities with equity instruments	1 January 2010

The directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the recognition or measurement of the company's financial statements in the period of initial application However the following standards and interpretations impact on the presentation of the financial statements

IAS 1 (amendment) Presentation of financial statements – effective 1 January 2010 The amendment is part of the IASB's annual improvements project published in April 2009 The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non current By amending the definition of current liability the amendment permits a liability to be classified as non current (provided the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time The company will apply IAS 1 (amendment) from 1 October 2010 It is not expected to have a material impact on the company's financial statements

IFRS 2 (amendment) Share based payments – Group cash settled share based payment transactions – effective from 1 January 2010 In addition to incorporating IFRIC 8 Scope of IFRS 2 and IFRIC 11 IFRS 2 – Group and treasury share transactions the amendments expand on the guidance in IFRIC 11 to address the classification of group arrangements that were not covered by that interpretation The company will apply IFRS 2 (amendment) from 1 January 2010 It is not expected to have a material impact on the company's financial statements

Notes to the financial statements for the year ended 30 September 2010

1 Accounting policies (continued)

Property plant and equipment

Property plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

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:

	%
Plant and machinery	10
Computer equipment	20

No depreciation is charged on land or the assets under construction. 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 included within administrative expenses in the income statement.

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 receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as noncurrent assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Cash and cash equivalents

In the cash flow statement 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 payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Notes to the financial statements for the year ended 30 September 2010**1 Accounting policies (continued)****Borrowings**

Borrowings are recognised initially at fair value net of direct issue costs and subsequently measured at amortised cost. Finance charges including premiums payable on settlement or redemption and direct issue costs are accounted for on an accruals basis to the income statement using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

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 income and are credited to the income statement on a straight line basis over the expected useful economic lives of the related assets.

Current and deferred income tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country where the company operates and generates taxable income. 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 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.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the company's activities. Revenue is shown net of sales taxes, 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 customer receipt of products, which is when title to the product is transferred to the customer or upon completion of services when results of testing have been delivered to the customer or logistics operations have been performed. The company uses the percentage of completion method in accounting for its fixed price contracts to deliver services. Use of the percentage of completion method requires the company to estimate the services performed to date as a proportion of the total services to be performed.

Notes to the financial statements for the year ended 30 September 2010**1 Accounting policies (continued)****Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Foreign currency translation

Items included in the financial statements of each of the company's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Sterling, which is the company's functional and presentation currency.

Foreign currency transactions are translated in the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within finance income or cost. All other foreign exchange gains and losses are presented in the income statement within administrative expenses.

Pension obligations

The company operates a defined contribution plan for employees whereby the company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Share based payments

The company issues cash settled share based payments to certain employees of the company for their services to the company. The company accounts for these share based payments as cash settled share based payments which are measured at fair value and recognised as an expense in the income statement with a corresponding increase in liabilities. The fair values of these payments are measured at each reporting date using professional external valuers, in line with the terms and conditions upon which the awards are granted. The fair value is recognised over the period during which employees become unconditionally entitled to the awards, subject to the company's estimate of the number of awards which will lapse due to employees leaving the company prior to vesting. The total amount recognised in the income statement as an expense is adjusted to reflect the actual amount of awards that are expected to vest, except where forfeiture is due to employee's termination of contract.

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 foreign exchange risk and interest rate risk), credit risk and liquidity risk. Interest bearing assets consist of short term bank deposits. 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 company by monitoring the foregoing risks.

Notes to the financial statements for the year ended 30 September 2010

3 Financial risk management (continued)

(a) 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 30 September 2010 and 30 September 2009 there is no exposure to foreign exchange risk as all balances are entirely denominated in sterling.

(ii) Interest rate risk

The company's interest rate risk arises from overdrafts. There is no exposure of 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.

If average interest rates over the period had increased/decreased by 1% with all other variables held constant the financial statements would have been impacted as follows:

	2010		2009	
	Impact on post tax profits £ 000	Impact on equity £ 000	Impact on post tax profits £ 000	Impact on equity £ 000
Interest rates increase by 1%	3	3		
Interest rates decrease by 1%	(3)	(3)		

(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.

(b) 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.

(c) 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 company'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 annual report for the ultimate parent undertaking, Almac Group Limited.

5 Finance income

	2010	2009
	£	£
Finance income – interest receivable from related parties	3 225	674

Notes to the financial statements for the year ended 30 September 2010
6 Expenses by nature

	2010	2009
	£	£
Employee benefits expense (note 7)	1 653 463	1 225 375
Depreciation and amortisation	14 382	6 858
Operating lease payments	13 668	15 508
Revenue grant received	(90 000)	(90 000)
Other expenses	365 519	271 757
Total cost of sales sales & marketing costs and administrative expenses	1 957 032	1 429 498

Services provided by the company's auditor and its associates

During the year the company obtained the following services from the company's auditor and its associates

	2010	2009
	£	£
Fees payable to the company's auditor for the audit	6 000	5 869
Fees payable to the company's auditor and its associates for other services		
Tax services	1 500	1 500

7 Employees and directors

	2010	2009
	£	£
Staff costs during the year		
Wages and salaries	1 449 945	1 080 262
Social security costs	156 824	109 236
Pension costs – defined contribution plans	29 631	20 030
Share based payment costs	17 063	15 847
	1 653 463	1 225 375

	2010	2009
	Number	Number
Average monthly number of persons employed (including directors) during the year by activity		
Production	46	34
Sales and marketing	3	2
	49	36

Key management includes directors and senior managers

No directors (2009: nil) have retirement benefits accruing under a money purchase scheme. The directors did not receive any emoluments in either 2010 or 2009 nor was there any key management compensation in either 2010 or 2009.

Notes to the financial statements for the year ended 30 September 2010

8 Income tax expense

	2010	2009
	£	£
Income tax expense		
The tax on the company's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the company as follows		
	2010	2009
	£	£
Profit before income tax	308 390	237 086
Profit before income tax at the UK standard rate of 28 / (2009 28%)	86 349	66 384
Effects of		
Group relief not paid for	(99 910)	(65 283)
Deferred tax not provided	13 561	(1 101)
Income tax expense		

Factors affecting future tax charges

During the year as a result of the change in the UK main corporation tax rate from 28% to 27 / that was substantively enacted on 20 July 2010 and that will be effective from 1 April 2011 the relevant deferred tax balances have been re measured

Further reductions to the UK corporation tax rate were announced in the June 2010 Budget The changes which are expected to be enacted separately each year propose to reduce the rate by 1 / per annum to 24 % by 1 April 2014 The changes had not been substantively enacted at the balance sheet date and therefore are not recognised in these financial statements

9 Intangible assets

	Computer software £
Cost	
At 1 October 2008 at 30 September 2009 and at 30 September 2010	3 118
Accumulated amortisation	
At 1 October 2008	624
Charge for the year	624
At 1 October 2009	1 248
Charge for the year	625
At 30 September 2010	1 873
Net book amount	
At 30 September 2010	1 245
At 30 September 2009	1 870

Amortisation is included within administrative expenses in the income statement

Notes to the financial statements for the year ended 30 September 2010

10 Property, plant and equipment

	Plant and machinery £	Computer equipment £	Total £
Cost			
At 1 October 2008	2 897	23 282	26 179
Additions	12 833	15 437	28 270
At 1 October 2009	15 730	38 719	54 449
Additions	25 660	6 081	31 741
At 30 September 2010	41 390	44 800	86 190
Accumulated depreciation			
At 1 October 2008	517	5 856	6 373
Charge for the year	605	5 629	6 234
At 1 October 2009	1 122	11 485	12 607
Charge for the year	5 302	8 455	13 757
At 30 September 2010	6 424	19 940	26 364
Net book amount			
At 30 September 2010	34 966	24 860	59 826
At 30 September 2009	14 608	27 234	41 842

Depreciation is included within administrative expenses in the income statement

11 Trade and other receivables

	2010 £	2009 £
Amounts owed by group undertakings	908 517	496 142
Prepayments and accrued income	1 612	86 048
	910 129	582 190

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:

	2010 £	2009 £
Currency		
UK pound	910 129	582 190

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

Notes to the financial statements for the year ended 30 September 2010

12 Cash and cash equivalents

	2010	2009
	£	£
Cash at bank and in hand		

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

	2010	2009
	£	£
Bank overdraft (note 14)	(3 113)	(14 090)

13 Trade and other payables

	2010	2009
	£	£
Trade payables	5 183	11 516
Amounts owed by group undertakings		4 470
Other tax and social security	66 871	28 238
Accruals	44 666	52 575
	116 720	96 799

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

There is no difference between the amounts shown above and the total contractual undiscounted cash flows of trade and other payables

14 Borrowings

	2010	2009
	£	£
Current		
Bank overdraft	3 113	14 090

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 Deferred income tax

	2010	2009
	£	£
Deferred tax assets not recognised		
Accelerated capital allowances	112	464
Other temporary differences	17 313	3 400
	17 425	3 864

No deferred tax asset has been recognised in relation to the above as in the opinion of the directors it may not be recoverable in the foreseeable future.

Notes to the financial statements for the year ended 30 September 2010

16 Other non current liabilities

	2010	2009
	£	£
Accruals	42 275	14 311

The fair value of other non current liabilities equals their carrying amount as the impact of discounting is not significant

Maturity of non current liabilities

	2010	2009
	£	£
In more than one year but not more than two years	5 744	4 000
In more than two years but not more than five years	36 531	10 311
	42 275	14 311

There is no difference between the amounts shown above and the total contractual undiscounted cash flows for other non current liabilities

17 Called up share capital

	2010	2009
	£	£
Authorised		
50 000 000 ordinary shares of £1 each	50 000 000	50 000 000
Allotted and fully paid		
1 ordinary shares of £1 each	1	1

18 Cash generated from operations

	2010	2009
	£	£
Profit before income tax	308 390	237 086
Adjustment for		
Depreciation of property plant and equipment	13 757	6 234
Amortisation of intangible assets	625	624
Finance income	(3 225)	(674)
Movement in trade and other receivables	84 436	(83 385)
Movement in trade and other payables	52 355	62 807
Net cash generated from operations	456 338	222 692

19 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

	2010	2009
	£	£
Defined contribution plan	29 631	20 030

Notes to the financial statements for the year ended 30 September 2010

20 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.

21 Share based payments

The company operates a phantom share scheme whereby share awards are granted to directors and senior management employees. The share award is granted for nil consideration and is conditional on the director or employee continuing in employment for a period of three years from the date the share award is made which is the first of January following the financial year end. The company accounts for these share awards as cash settled share based payments which are measured at fair value and recognised as an expense in the income statement with a corresponding increase in liabilities. The fair values of these payments are measured at each reporting date using professional external valuers in line with the terms and conditions upon which the awards are granted. The fair value is recognised over the period during which employees become unconditionally entitled to the awards subject to the company's estimate of the number of awards which will lapse due to employees leaving the company prior to vesting. The total amount recognised in the income statement as an expense is adjusted to reflect the actual amount of awards that are expected to vest except where forfeiture is due to employee's termination of contract.

Share awards are exercisable on from the first of January three years following the award date. The share award is exercisable at the share price as determined by professional qualified valuers at the end of financial year when share is exercisable and all share awards are cash settled.

The fair value of each share award granted and the assumptions used in the calculation are as follows:

Grant date	September 2010	September 2009
Share price at grant date	£0.545	£0.471
Exercise price at grant date		
Number of employees	2	1
Share awards	23,279	10,811
Vesting period (years)	4	4
Option life (years)	4	4
Expected life (years)	4	4
Dividend yield	Nil	Nil
Risk free interest rate	5.0%	4.5%
Fair value	£0.545	£0.471

The weighted average fair value of share awards granted during the year determined using the Black Scholes valuation model was £0.545 (2009: £0.471). The significant inputs into the model were the share price at grant date, exercise price, dividend yield, risk free interest rate and expected option life as shown above. Movements in the number of share awards outstanding are as follows:

	2010 Number	2009 Number
Outstanding at 1 October	53,576	52,666
Granted	23,279	10,811
Forfeited		
Exercised	(13,738)	(9,901)
Outstanding at 30 September	63,117	53,576
Exercisable on 1 January 2011/2010	29,027	13,738

Notes to the financial statements for the year ended 30 September 2010

21 Share based payments (continued)

The weighted average share price of share awards exercised in the year was £0.545 (2009 £0.471)

Share awards outstanding at the end of the year have the following expiry dates

	2010 Number	2009 Number
2010		13,738
2011	29,027	29,027
2012	10,811	10,811
2013	23,279	

The total expense recognised in the income statement was £17,063 (2009 £15,847)

22 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 (UK) 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.

At the balance sheet date, the ultimate controlling party was Dr. Sir Allen McClay. Sir Allen passed away on 12 January 2010. Pending a grant of probate being issued and the administration of Sir Allen's Estate, his shareholding is controlled by the executors of his will.

Related parties consist of the parent company and subsidiaries and other Almac companies incorporated in the United States of America.

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

	2010 £	2009 £
Sales to related parties	2,262,197	1,665,910
Purchases from related parties	12,240	

Details of balances owed by and to group undertakings are disclosed in note 11 and note 13.

