

**Almac Clinical Technologies Limited**  
**Annual report and financial statements**  
**for the year ended 30 September 2013**

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# **Almac Clinical Technologies Limited**

## **Annual report and financial statements for the year ended 30 September 2013**

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## Directors and advisers

### Directors

A D Armstrong  
J Murphy  
C Hayburn  
J W Irvine  
S Campbell  
K Stephens

### Company secretary

E McAllister

### Registered office

Almac House  
20 Seagoe Industrial Estate  
Craigavon  
BT63 5QD

### Solicitors

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

### Bankers

Danske Bank  
11 Donegall Square West  
Belfast  
BT1 6JS  
United Kingdom

### 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 2013**

The directors present their annual report and the audited financial statements of the company for the year ended 30 September 2013.

**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 after income tax for the financial year is £306,611 (2012: £271,134). The directors do not recommend payment of a dividend (2012: £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 with 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 2013**

**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.

On behalf of the Board



K Stephens

**Director**

19 December 2013

## 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;
- 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.

On behalf of the Board



K Stephens

Director

19 December 2013

**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 2013 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 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, 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. In addition, we read all the financial and non-financial information in the Annual report and financial statements to identify material inconsistencies with the audited financial statements, and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2013 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 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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report.



Kevin MacAllister (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Belfast  
19 December 2013

# Income statement for the year ended 30 September 2013

	Note	2013 £	2012 £
<b>Continuing operations</b>			
Revenue	2	3,230,361	2,795,822
Cost of sales	6	(2,498,257)	(2,103,764)
Gross profit		732,104	692,058
Sales and marketing costs	6	(220,612)	(237,274)
Administrative expenses	6	(237,826)	(207,983)
<b>Operating profit</b>		<b>273,666</b>	<b>246,801</b>
Operating profit is analysed as:			
Operating profit before depreciation and amortisation ("EBITDA")		290,090	264,826
Depreciation of property, plant and equipment		(16,280)	(17,258)
Amortisation of intangible assets		(144)	(767)
Finance costs		(13)	(170)
Finance income	5	32,958	24,503
Finance income - net		32,945	24,333
<b>Profit before income tax</b>		<b>306,611</b>	<b>271,134</b>
Income tax expense	8	-	-
<b>Profit for the year attributable to owners of the company</b>		<b>306,611</b>	<b>271,134</b>

The notes on pages 10 to 24 are an integral part of the financial statements.

There is no other comprehensive income for the year (2012: £nil).



**Statement of changes in equity for the year ended 30 September 2013**

	<b>Share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
At 1 October 2011	1	1,135,818	1,135,819
Profit for the year and total comprehensive income	-	271,134	271,134
At 1 October 2012	1	1,406,952	1,406,953
Profit for the year and total comprehensive income	-	306,611	306,611
<b>At 30 September 2013</b>	<b>1</b>	<b>1,713,563</b>	<b>1,713,564</b>

The notes on pages 10 to 24 are an integral part of the financial statements.

# Balance sheet as at 30 September 2013

	Note	2013 £	2012 £
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	9	307	451
Property, plant and equipment	10	62,537	48,749
<b>Total non-current assets</b>		<b>62,844</b>	<b>49,200</b>
<b>Current assets</b>			
Trade and other receivables	11	1,894,081	1,554,265
<b>Total current assets</b>		<b>1,894,081</b>	<b>1,554,265</b>
<b>Total assets</b>		<b>1,956,925</b>	<b>1,603,465</b>
<b>Equity and liabilities</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	13	197,203	143,166
Borrowings	14	1,142	-
<b>Total current liabilities</b>		<b>198,345</b>	<b>143,166</b>
<b>Non-current liabilities</b>			
Other non-current liabilities	16	45,016	53,346
<b>Total non-current liabilities</b>		<b>45,016</b>	<b>53,346</b>
<b>Total liabilities</b>		<b>243,361</b>	<b>196,512</b>
<b>Equity attributable to owners of the company</b>			
Ordinary shares	17	1	1
Retained earnings		1,713,563	1,406,952
<b>Total equity</b>		<b>1,713,564</b>	<b>1,406,953</b>
<b>Total equity and liabilities</b>		<b>1,956,925</b>	<b>1,603,465</b>

The notes on pages 10 to 24 are an integral part of the financial statements.

The financial statements on pages 6 to 24 were authorised by the Board on 19 December 2013 and were signed on their behalf by:



A D Armstrong  
(Director)

# Cash flow statement for the year ended 30 September 2013

	Note	2013 £	2012 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	18	308,004	267,533
Finance expenses		(13)	(170)
Net cash generated from operating activities		307,991	267,363
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment		(30,068)	(12,871)
Finance income		32,958	24,503
Net cash generated from investing activities		2,890	11,632
<b>Cash flows from financing activities</b>			
Advances to group undertakings		(312,023)	(277,086)
Net cash used in financing activities		(312,023)	(277,086)
<b>Net (decrease)/increase in cash and cash equivalents and bank overdraft</b>		<b>(1,142)</b>	<b>1,909</b>
Cash, cash equivalents and bank overdraft at beginning of the year		-	(1,909)
<b>Cash, cash equivalents and bank overdraft at end of the year</b>	12	<b>(1,142)</b>	-

The notes on pages 10 to 24 are an integral part of the financial statements.

**Notes to the financial statements for the year ended 30 September 2013****1 Accounting policies****General information**

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. The financial statements are presented in UK pound 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**

The financial statements of Almac Clinical Technologies Limited have been prepared on the going concern basis and in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), the Companies Act 2006 applicable to companies reporting under IFRS, and IFRIC interpretations. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Management has 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 2013**

The accounting policies set out below are those that the group has adopted under International Financial Reporting Standards as adopted by the European Union for the year ended 30 September 2013.

The following standards have been adopted by the group for the first time for the financial year beginning on or after 1 October 2012 and have a material impact on the group:

Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).

**Notes to the financial statements for the year ended 30 September 2013****1 Accounting policies (continued)****Standards, amendments and interpretations that are not yet effective and have not been adopted early by the company**

The following new standards, new interpretations, and amendments to standards and interpretations that are not yet effective and have not been adopted early by the company:

- IAS 19 (revised 2011) 'Employee benefits';
- IAS 28 (revised 2011) 'Associates and joint ventures';
- IFRS 9, 'Financial instruments';
- IFRS 10, 'Consolidated financial statements';
- IFRS 11, 'Joint arrangements';
- IFRS 12, 'Disclosures of interests in other entities';
- IFRS 13, 'Fair value measurement';
- IFRIC 20, 'Stripping costs in the production phase of a surface mine';
- Amendment to IAS 12, 'Income taxes' on deferred tax';
- Amendment to IAS 32 Financial instruments: Presentation on offsetting financial assets and financial liabilities; and
- Amendment to IFRS 1 on hyperinflation and fixed dates;

The introduction of these new standards, interpretations and amendments is not expected to have a material impact on the group or company.

**Intangibles**

The costs of acquiring and bringing computer software in to use 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. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

**Property, plant and equipment**

Property, plant and equipment is stated at historical cost less accumulated 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.

## Notes to the financial statements for the year ended 30 September 2013

### 1 Accounting policies (continued)

#### Property, plant and equipment (continued)

For all assets depreciation is calculated 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	14
Fixtures, fittings & computer equipment	20

No depreciation is charged on land or 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. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. 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 twelve months after the end of the reporting period. 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 non-current assets.

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

#### Impairment of financial assets

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognised in the Income Statement.

#### 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.

**Notes to the financial statements for the year ended 30 September 2013****1 Accounting policies (continued)****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. Trade 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.

**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.

**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.

**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.

**Notes to the financial statements for the year ended 30 September 2013****1 Accounting policies (continued)****Current and deferred income tax (continued)**

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 of different taxable entities where there is an intention to settle the balances on a net basis.

**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 financial statements are presented in UK pound sterling, which is the company's functional and presentation currency.

Foreign currency transactions are translated into 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.

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.



## Notes to the financial statements for the year ended 30 September 2013

### 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.

#### (a) Market risk

##### (i) Foreign exchange risk

While the greater part of the company's revenues and expenses are denominated in UK pound 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 2013 and 30 September 2012 there is no exposure to foreign exchange risk as all balances are entirely denominated in UK pound sterling.

	2013		2012	
	Impact on post-tax profits £'000	Impact on equity £'000	Impact on post-tax profits £'000	Impact on equity £'000
UK pound weakens by 10% against Euro	+3	+3	-	-
UK pound strengthens by 10% against Euro	(4)	(4)	-	-

##### (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:

	2013		2012	
	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%	+11	+11	+8	+8
Interest rates decrease by 1%	(11)	(11)	(8)	(8)

##### (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.

# Notes to the financial statements for the year ended 30 September 2013

## 4 Capital risk management

The company is a subsidiary of Almac Group Limited, their 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 Almac Group Limited.

## 5 Finance income - net

	2013	2012
	£	£
Interest payable to group undertakings and related parties	(13)	(47)
Foreign exchange	-	(123)
<b>Finance costs</b>	<b>(13)</b>	<b>(170)</b>
Net foreign exchange gains on financing activities	1,746	-
Interest received on loans to group companies	31,212	24,503
<b>Finance income</b>	<b>32,958</b>	<b>24,503</b>
<b>Finance income – net</b>	<b>32,945</b>	<b>24,333</b>

## 6 Expenses by nature

	2013	2012
	£	£
Employee benefits expense (note 7)	2,762,610	2,301,078
Depreciation and amortisation	16,424	18,025
Operating lease payments	12,240	12,240
Revenue grant received	(90,000)	-
Other expenses	255,421	217,678
<b>Total cost of sales, sales &amp; marketing costs and administrative expenses</b>	<b>2,956,695</b>	<b>2,549,021</b>

### Services provided by the company's auditors and its associates

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

	2013	2012
	£	£
Fees payable to the company's auditors for the audit	3,825	3,825
Fees payable to the company's auditors and its associates for other services – tax service	-	900

## Notes to the financial statements for the year ended 30 September 2013

## 7 Employees and directors

	2013 £	2012 £
<b>Staff costs during the year:</b>		
Wages and salaries	2,409,141	2,027,749
Social security costs	266,638	201,512
Other pension costs – defined contribution plan	72,528	66,833
Share based payment costs	14,303	4,984
	<b>2,762,610</b>	<b>2,301,078</b>
	2013 Number	2012 Number
<b>Average monthly number of persons employed (including directors) during the year by activity:</b>		
Production	77	63
Sales and marketing	2	2
	<b>79</b>	<b>65</b>

No directors (2012: nil) have retirement benefits accruing under a money purchase scheme. The directors did not receive any emoluments in respect of their services to the company in either 2013 or 2012 nor was there any key management compensation in either 2013 or 2012. Key management includes directors and senior managers.

## 8 Income tax expense

	2013 £	2012 £
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:		
	2013 £	2012 £
<b>Profit before income tax</b>	<b>306,611</b>	<b>271,134</b>
Profit before income tax at the UK standard rate of 23.5 % (2012: 25%)	<b>72,054</b>	<b>67,784</b>
Effects of:		
Group relief not paid for	(70,676)	(70,831)
Deferred tax not provided	(1,378)	3,047
<b>Income tax expense</b>	<b>-</b>	<b>-</b>

## Factors affecting future tax charges:

During the year, changes to the UK main corporation tax rate, were substantively enacted on 3 July 2013. A rate of 21% is effective from 1 April 2014 and 20% from 1 April 2015, the relevant deferred tax balances have been re-measured.

## Notes to the financial statements for the year ended 30 September 2013

## 9 Intangible assets

	Computer software £
<b>Cost</b>	
At 1 October 2011, 1 October 2012 and at 30 September 2013	3,818
<b>Accumulated amortisation</b>	
At 1 October 2011	2,600
Charge for the year	767
At 1 October 2012	3,367
Charge for the year	144
<b>At 30 September 2013</b>	<b>3,511</b>
<b>Net book amount</b>	
<b>At 30 September 2013</b>	<b>307</b>
At 30 September 2012	451

Amortisation expense is included within administrative expenses in the income statement.

Notes to the financial statements for the year ended 30 September 2013

10 Property, plant and equipment

	Plant and machinery £	Fixtures, fittings & computer equipment £	Total £
<b>Cost</b>			
At 1 October 2011	43,540	50,028	93,568
Additions	6,017	6,854	12,871
At 1 October 2012	49,557	56,882	106,439
Transfers	837	(837)	-
Additions	-	30,068	30,068
<b>At 30 September 2013</b>	<b>50,394</b>	<b>86,113</b>	<b>136,507</b>
<b>Accumulated depreciation</b>			
At 1 October 2011	12,336	28,096	40,432
Charge for the year	10,753	6,505	17,258
At 1 October 2012	23,089	34,601	57,690
Charge for the year	7,199	9,081	16,280
Transfers	(4,247)	4,247	-
<b>At 30 September 2013</b>	<b>26,041</b>	<b>47,929</b>	<b>73,970</b>
<b>Net book amount</b>			
<b>At 30 September 2013</b>	<b>24,353</b>	<b>38,184</b>	<b>62,537</b>
At 30 September 2012	26,468	22,281	48,749

Depreciation expense is included within administrative expenses in the income statement.

11 Trade and other receivables

	2013 £	2012 £
Amounts owed by group undertakings	1,872,432	1,543,142
Other debtors	20,237	10,444
Prepayments and accrued income	1,412	679
	<b>1,894,081</b>	<b>1,554,265</b>

The fair values of trade and other receivables are not materially different from their carrying values. For the purposes of IFRS 7 Financial instruments: Disclosures" 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, held to maturity or available-for-sale.

## Notes to the financial statements for the year ended 30 September 2013

### 11 Trade and other receivables (continued)

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

	2013	2012
	£	£
<b>Currency</b>		
UK pound	1,894,081	1,554,265

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

	2013	2012
	£	£
Cash at bank and in hand	-	-

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

	2013	2012
	£	£
Bank overdraft (note 14)	(1,142)	-

### 13 Trade and other payables

	2013	2012
	£	£
Trade payables	3,622	2,369
Amounts owed to group undertakings	17,267	-
Other tax and social security	93,326	68,828
Accruals	82,988	71,969
	197,203	143,166

The fair values of trade and other payables are not materially different from their carrying values as the impact of discounting is not significant. For the purposes of IFRS 7 "Financial instruments: Disclosures" all of the company's financial liabilities are classified as other financial liabilities.

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

# Notes to the financial statements for the year ended 30 September 2013

## 14 Borrowings

	2013	2012
	£	£
<b>Current</b>		
Bank overdraft	1,142	-

The fair value of borrowings equals their carrying amount as the impact of discounting is not significant.

For the purposes of IFRS 7 "Financial instruments: Disclosures" 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 UK pound sterling.

## 15 Deferred income tax

	2013	2012
	£	£
<b>Deferred tax asset not recognised</b>		
Accelerated capital allowances	667	349
Other temporary differences	10,209	15,666
	10,876	16,015

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.

## 16 Other non-current liabilities

	2013	2012
	£	£
Accruals	45,016	53,346

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

	2013	2012
	£	£
In more than one year but not more than two years	25,585	22,269
In more than two years but not more than five years	19,431	31,077
	45,016	53,346

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

## 17 Ordinary shares

	2013	2012
	£	£
<b>Authorised</b>		
50,000,000 ordinary shares of £1 each	50,000,000	50,000,000
<b>Allotted and fully paid</b>		
1 ordinary shares of £1 each	1	1

## Notes to the financial statements for the year ended 30 September 2013

**18 Cash generated from operations**

	2013 £	2012 £
Profit before income tax	306,611	271,134
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	16,280	17,258
Amortisation of intangible assets	144	767
Finance income	(32,958)	(24,503)
Finance costs	13	170
Movement in trade and other receivables	(10,526)	(11,123)
Movement in trade and other payables	28,440	13,830
<b>Net cash generated from operations</b>	<b>308,004</b>	<b>267,533</b>

**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. Amounts owed to the pension plan as at 30 September 2013 was £12,095 (2012: £10,663). Pension costs for the defined contribution plan are as follows:

	2013 £	2012 £
Defined contribution plan	72,528	66,833

**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.



# Notes to the financial statements for the year ended 30 September 2013

## 21 Share-based payments (continued)

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 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 the 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 2013	September 2012
Share price at grant date	£0.551	£0.606
Exercise price at grant date	-	-
Number of employees	1	1
Share awards	12,811	22,345
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%	5.0%
Fair value	£0.551	£0.606

The weighted average fair value of share awards granted during the year determined using the Black-Scholes valuation model was £0.551 (2012: £0.606). 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:

	2013 Number	2012 Number
Outstanding at 1 October	67,310	55,776
Granted	12,811	22,345
Exercised	(23,279)	(10,811)
Outstanding at 30 September	56,842	67,310
Exercisable on 1 January 2013/2012	21,686	23,279

The weighted average share price of share awards exercised in the year was £0.551 (2012: £0.606). Share awards outstanding at the end of the year have the following expiry dates:

	2013 Number	2012 Number
2012	-	23,279
2013	21,686	21,686
2014	22,345	22,345
2015	12,811	-

The total expense recognised in the income statement was £14,303 (2012: £4,984) and the liability at 30 September is £31,320 (2012: £40,790).

## Notes to the financial statements for the year ended 30 September 2013

**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 is Almac Founder Share Company Limited. 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 Companies Registry.

At the balance sheet date, the ultimate controlling parties are A D Armstrong, S Campbell, C Hayburn, and J W Irvine.

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

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

	2013	2012
	£	£
Sales to related parties	3,230,361	2,795,822
Purchases from related parties	12,240	12,240
Interest receivable from related parties	31,212	24,503
Interest payable to related parties	13	47
Amounts owed by group undertakings	1,872,432	1,543,142
Amounts owed to group undertakings	17,267	-

Details of balances owed by and to group undertakings are disclosed in note 11 and note 13. Details of interest payable and receivable on balances held with related parties are disclosed in note 5.