

Registered number: 03591021

BR PHARMA INTERNATIONAL LIMITED

**ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2012**

THURSDAY



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COMPANIES HOUSE

BR PHARMA INTERNATIONAL LIMITED

COMPANY INFORMATION

DIRECTORS

J Rabin
S A Glanvill

COMPANY SECRETARY

F Rabin

COMPANY NUMBER

03591021

REGISTERED OFFICE

Haslers
Old Station Road
Loughton
Essex
IG10 4PL

AUDITORS

Haslers
Chartered Accountants & Statutory Auditors
Old Station Road
Loughton
Essex
IG10 4PL

BR PHARMA INTERNATIONAL LIMITED

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The following pages do not form part of the statutory financial statements

BR PHARMA INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2012

The directors present their report and the financial statements for the year ended 30 June 2012

PRINCIPAL ACTIVITIES

The principal activity of the company continued to be that of the wholesale of pharmaceutical products

BUSINESS REVIEW

The results for the year, before exceptional items, and the financial position at the year end were considered satisfactory by the directors

During the year the company has made a impairment provision of £10,917,760 (2011 £1,036,991) against its investments in subsidiaries. Excluding this exceptional item and that in respect of PAYE and NI (per note 3) the profit for the year was £6,272,982 before tax. This profit includes dividend income of £4,656,228 from its subsidiary which in part offsets the exceptional items this year. Therefore the underline profit for the year, excluding exceptional items is £1,622,754 (2011 £839,642) which is a significant improvement.

The directors consider the key financial performance indicators for this company to be turnover, gross margin and profit before tax. Turnover has increased by 57% in the year, back to being more in line with the 2010 turnover and this is due to the increase in trading with a related party, Allomedic GmbH. Whilst turnover has increased the gross margin has however decreased in the year and is 14.7% compared to 18.7% last year, again partly due to the increase in sales to Allomedic which are of a lower margin nature coupled with a move to sell more higher margin items in place of lower margin items.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £6,101,339 (2011 - loss £197,349). However the underline profit, excluding exceptional items is £1,372,173 (2011 £839,642).

No interim dividends were paid in the year and the directors recommend that no final dividend be declared for the year (2010 - £Nil).

DIRECTORS

The directors who served during the year were

J Rabin
S A Glanvill

As at 30 June 2012 7,173 (2011 7,173) 'A' Ordinary 1p shares and 421,373 (2011 421,373) 'D' Ordinary 0.1p shares were held, on a non-beneficial basis, by SIP Trustees Limited on behalf of the BR Pharma International Limited SIP. This represents 43% of the issued ordinary share capital. The directors of SIP Trustees Limited include Mr M J Anderson, Mrs C P Munro and Mr J O'Shea who are partners and Mr A Perez, who is an employee, of Haslers, auditors of our company. None of these partners or employees have any involvement in the management or audit of the company.

FINANCIAL INSTRUMENTS

The group's operations expose it to a variety of financial risks that include the effects of changes in foreign currency exchange rates, credit risks, liquidity risk and interest rate risk.

The group has in place a risk management programme that seeks to limit the adverse effect on the financial performance of the group by monitoring levels of debt finance and the related finance costs. The group does not

BR PHARMA INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2012

use derivative financial instruments to manage interest rate costs, and as such no hedge accounting is applied

Given the size of the group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The group's finance department implements the policies set by the board of directors. The department have guidelines, agreed by the directors, to manage interest rate risk, credit risk and circumstances where it would be appropriate to use financial instruments to manage these

Foreign currency risk

The group's principal foreign currency exposures arise from trading with overseas companies. The group's policy does not demand that these exposures be hedged in order to fix the cost in sterling. However foreign currency bank accounts are maintained for ease of trade, and the group actively hedges against adverse currency fluctuations with the purchase of forward contracts. The directors do not consider these risks to be significant in that they could materially impact the group.

Credit risk

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are reviewed on a regular basis and provision is made for doubtful debts when necessary.

Liquidity risk

The group manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the group has sufficient liquid resources to meet the operating needs of the business.

Interest rate risk

The group has both interest bearing assets and liabilities. Interest bearing assets include only cash balances that earn interest at a fixed monthly rate.

Investments of cash surpluses are made through banks and companies which must fulfil credit rating criteria approved by the Board.

DIRECTORS' RESPONSIBILITIES STATEMENT

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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.

BR PHARMA INTERNATIONAL LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2012**

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.

PROVISION OF INFORMATION TO AUDITORS

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

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

AUDITORS

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

This report was approved by the board on 26 March 2013 and signed on its behalf



J Rabin
Director

BR PHARMA INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2012

use derivative financial instruments to manage interest rate costs, and as such no hedge accounting is applied

Given the size of the group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The group's finance department implements the policies set by the board of directors. The department have guidelines, agreed by the directors, to manage interest rate risk, credit risk and circumstances where it would be appropriate to use financial instruments to manage these

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- select suitable accounting policies and then apply them consistently,
- make judgments 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.

BR PHARMA INTERNATIONAL LIMITED

**INDEPENDENT AUDITORS' REPORT TO BR PHARMA INTERNATIONAL LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts set out on pages 5 to 22, together with the financial statements of BR Pharma International Limited for the year ended 30 June 2012 prepared under section 396 of the Companies Act 2006

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

OPINION ON FINANCIAL STATEMENTS

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts on pages 5 to 22 have been properly prepared in accordance with the regulations made under that section.



LAURENCE A JACOBS (Senior statutory auditor)

for and on behalf of

Haslers

Chartered Accountants

Statutory Auditors

Old Station Road

Loughton

Essex

IG10 4PL

26 March 2013

BR PHARMA INTERNATIONAL LIMITED

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 £	2011 £
TURNOVER	1	16,536,524	10,542,597
GROSS PROFIT		2,422,757	1,976,486
Administrative expenses		(430,867)	(871,368)
Exceptional administrative expenses		(12,376,869)	(1,036,991)
Total administrative expenses		(12,807,736)	(1,908,359)
OPERATING (LOSS)/PROFIT	2	(10,384,979)	68,127
Income from other fixed asset investments		4,656,220	-
Interest receivable and similar income		22,604	48,836
Interest payable and similar charges	5	(397,732)	-
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(6,103,887)	116,963
Tax on (loss)/profit on ordinary activities	6	2,548	(314,312)
LOSS FOR THE FINANCIAL YEAR	16	(6,101,339)	(197,349)

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

The notes on pages 9 to 22 form part of these financial statements

BR PHARMA INTERNATIONAL LIMITED
REGISTERED NUMBER: 03591021

ABBREVIATED BALANCE SHEET
AS AT 30 JUNE 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	7	82,595	93,517
Investments	8	2,542,190	13,459,950
		<u>2,624,785</u>	<u>13,553,467</u>
CURRENT ASSETS			
Stocks	9	1,468,669	941,132
Debtors	10	4,401,412	2,060,506
Investments	11	2,297	2,289
Cash at bank and in hand		3,159,185	4,695,300
		<u>9,031,563</u>	<u>7,699,227</u>
CREDITORS: amounts falling due within one year	12	<u>(5,393,412)</u>	<u>(7,280,962)</u>
NET CURRENT ASSETS		<u>3,638,151</u>	<u>418,265</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,262,936</u>	<u>13,971,732</u>
PROVISIONS FOR LIABILITIES			
Deferred Tax	13	(14,301)	(15,994)
Other provisions	14	<u>(641,059)</u>	<u>-</u>
		<u>(655,360)</u>	<u>(15,994)</u>
NET ASSETS		<u><u>5,607,576</u></u>	<u><u>13,955,738</u></u>
CAPITAL AND RESERVES			
Called up share capital	15	9,939	9,939
Share premium account	16	14,077,100	14,077,100
Capital redemption reserve	16	6,285,000	6,285,000
Share based payment reserve	16	40,111	25,466
Other reserves	16	(14,940,843)	(12,724,331)
Profit and loss account	16	136,269	6,282,564
SHAREHOLDERS' FUNDS	17	<u><u>5,607,576</u></u>	<u><u>13,955,738</u></u>

BR PHARMA INTERNATIONAL LIMITED

**ABBREVIATED BALANCE SHEET (continued)
AS AT 30 JUNE 2012**

The abbreviated accounts, which have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 relating to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf on 26 March 2013



J Rabin
Director

The notes on pages 9 to 22 form part of these financial statements

BR PHARMA INTERNATIONAL LIMITED
REGISTERED NUMBER: 03591021

ABBREVIATED BALANCE SHEET
AS AT 30 JUNE 2012

	Note	£	2012	£	£	2011	£
FIXED ASSETS							
Tangible assets	7			82,595			93,517
Investments	8			2,542,190			13,459,950
				<u>2,624,785</u>			<u>13,553,467</u>
CURRENT ASSETS							
Stocks	9	1,468,669			941,132		
Debtors	10	4,401,412			2,060,506		
Investments	11	2,297			2,289		
Cash at bank and in hand		3,159,185			4,695,300		
		<u>9,031,563</u>			<u>7,699,227</u>		
CREDITORS: amounts falling due within one year	12	(5,393,412)			(7,280,962)		
NET CURRENT ASSETS				3,638,151			418,265
TOTAL ASSETS LESS CURRENT LIABILITIES				6,262,936			13,971,732
PROVISIONS FOR LIABILITIES							
Deferred Tax	13	(14,301)			(15,994)		
Other provisions	14	(641,059)			-		
				<u>(655,360)</u>			<u>(15,994)</u>
NET ASSETS				<u>5,607,576</u>			<u>13,955,738</u>
CAPITAL AND RESERVES							
Called up share capital	15			9,939			9,939
Share premium account	16			14,077,100			14,077,100
Capital redemption reserve	16			6,285,000			6,285,000
Share based payment reserve	16			40,111			25,466
Other reserves	16			(14,940,843)			(12,724,331)
Profit and loss account	16			136,269			6,282,564
SHAREHOLDERS' FUNDS	17			<u>5,607,576</u>			<u>13,955,738</u>

BR PHARMA INTERNATIONAL LIMITED

**ABBREVIATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 £	2011 £
Net cash flow from operating activities	18	(5,902,368)	4,319,866
Returns on investments and servicing of finance	19	4,281,092	48,836
Taxation		89,349	(60,895)
Capital expenditure and financial investment	19	(4,188)	(668)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(1,536,115)	4,307,139
Financing	19	-	(3,035,000)
(DECREASE)/INCREASE IN CASH IN THE YEAR		(1,536,115)	1,272,139

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 30 JUNE 2012**

	2012 £	2011 £
(Decrease)/Increase in cash in the year	(1,536,115)	1,272,139
Cash outflow from decrease in debt and lease financing	-	3,035,000
MOVEMENT IN NET DEBT IN THE YEAR	(1,536,115)	4,307,139
Net funds at 1 July 2011	4,695,300	388,161
NET FUNDS AT 30 JUNE 2012	3,159,185	4,695,300

The notes on pages 9 to 22 form part of these financial statements

BR PHARMA INTERNATIONAL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2012

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards

The company has taken advantage of the exemption in Financial Reporting Standard Number 2 from consolidating the accounts with its subsidiaries, Pharmakon Limited and Pharmaki Limited, based on the fact that they are not material for the purpose of giving a true and fair view

1.2 Turnover

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

Revenue is recognised when goods are dispatched

1.3 Investments

Investments held as fixed assets are shown at cost less provision for impairment. Investments held as current assets relate to Global Treasury Funds and are shown at the balances as at the year end date

1.4 Tangible fixed assets and depreciation

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

Plant and machinery	-	15% reducing balance
Furniture, fittings and equipment	-	15%-33% reducing balance

1.5 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks

BR PHARMA INTERNATIONAL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2012

1. ACCOUNTING POLICIES (continued)

1.6 Deferred taxation

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

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

Deferred taxation in connection with the contribution to the Share Incentive Plan (SIP) is shown as a deduction from the cost of the shares acquired. This is a departure from Financial Reporting Standard 19 to show the deferred tax liability as a provision for liabilities and charges. In the opinion of the directors, this departure is necessary in order to give a true and fair view of the company's affairs. The directors consider that, following the adoption of the accounting treatment under UITF 38 for the contribution to the SIP, the separation of the costs of the shares acquired and the relevant deferred taxation into two separate areas of the balance sheet would not give a true and fair view.

1.7 Share based payments

On 14 April 2009, the trustees of the SIP granted 7,173 (2011: 6,092) A Ordinary 1p shares held by the SIP to the employees of the company. These shares have a vesting period of 5 years. During this year, in accordance with FRS 20, the value determined at the grant date of the shares is expensed on a straight-line basis to the profit and loss account over the vesting period based on the company's estimate of shares that will eventually vest.

The value is calculated using a generally accepted valuation methodology allowing for the lack of an observable market price as the company is an unlisted limited company.

If the value of the shares is less than the cost of the shares awarded, the difference is transferred between the SIP reserve and the profit and loss reserve over the grant period.

During the year the accounting of Pharmakon Limited has been passed in to the company.

1.8 Foreign currencies

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

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

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

1.9 Pensions

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

BR PHARMA INTERNATIONAL LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2012**

1. ACCOUNTING POLICIES (continued)

1.10 Contributions to Share Incentive Plan (SIP)

In accordance with UITF 38, contributions to the SIP are not recognised in the profit and loss account until such time as the shares vest unconditionally with the employees. Until that time, the employee share ownership plan trust's investments in the shares of the company are shown as a reduction in reserves. During the year as part of the group rationalisation the SIP accounting of Pharmakon Limited has been passed into the company as the sole trading sponsoring entity and being where the employees are.

2. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging

	2012	2011
	£	£
Depreciation of tangible fixed assets		
- owned by the company	15,102	17,837
Auditors' remuneration	16,245	-
Share based payment	10,085	8,565
Exceptional administrative expenses - Impairment	10,917,760	1,036,991
Exceptional administrative expenses - PAYE & NI	1,459,109	-

Exceptional administrative expenses - Impairment

This year Pharmaki Limited and Pharmakon Limited were hived up into the company. This has caused an exceptional administration expense of £10,917,760 in respect of an impairment charge against the company's investments in both the companies (see note 10).

Exceptional administrative expenses - PAYE & NI

See note 16 for details of this item

BR PHARMA INTERNATIONAL LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2012**

3. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2012	2011
	£	£
Wages and salaries	626,025	518,214
Social security costs	49,732	30,838
Other pension costs	1,827	953
	<u>677,584</u>	<u>550,005</u>

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

	2012	2011
	No.	No
Administration	9	6
Production	19	18
	<u>28</u>	<u>24</u>

4. DIRECTORS' REMUNERATION

	2012	2011
	£	£
Emoluments	<u>50,873</u>	<u>41,545</u>

5. INTEREST PAYABLE

	2012	2011
	£	£
Other interest payable	<u>397,732</u>	<u>-</u>

BR PHARMA INTERNATIONAL LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2012**

6. TAXATION

	2012 £	2011 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on (loss)/profit for the year	414,068	322,548
Adjustments in respect of prior periods	(411,897)	(1,105)
Total current tax	<u>2,171</u>	<u>321,443</u>
Deferred tax (see note 13 and 17)		
Origination and reversal of timing differences	(4,719)	(7,131)
Tax on (loss)/profit on ordinary activities	<u>(2,548)</u>	<u>314,312</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 - *lower than*) the standard rate of corporation tax in the UK of 28% (2011 - 28%). The differences are explained below

	2012 £	2011 £
(Loss)/profit on ordinary activities before tax	<u>(6,103,887)</u>	<u>116,963</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2011 - 28%)	(1,709,088)	32,750
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	-	290,357
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,459,932	-
Depreciation for year in excess of capital allowances	1,185	(559)
Effect of marginal tax rate in the year	(34,217)	-
Adjustments to tax charge in respect of prior periods	(411,897)	(1,105)
Dividends from UK companies	(1,303,744)	-
Current tax charge for the year (see note above)	<u>2,171</u>	<u>321,443</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges

BR PHARMA INTERNATIONAL LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2012**

7. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Fixtures & Fittings £	Total £
Cost			
At 1 July 2011	29,231	326,466	355,697
Additions	-	4,180	4,180
At 30 June 2012	<u>29,231</u>	<u>330,646</u>	<u>359,877</u>
Depreciation			
At 1 July 2011	20,227	241,953	262,180
Charge for the year	1,351	13,751	15,102
At 30 June 2012	<u>21,578</u>	<u>255,704</u>	<u>277,282</u>
Net book value			
At 30 June 2012	<u>7,653</u>	<u>74,942</u>	<u>82,595</u>
At 30 June 2011	<u>9,004</u>	<u>84,513</u>	<u>93,517</u>

8. FIXED ASSET INVESTMENTS

	Investments in Subsidiary Companies £
Cost or valuation	
At 1 July 2011 and 30 June 2012	<u>14,496,941</u>
Impairment	
At 1 July 2011	1,036,991
Charge for the year	10,917,760
At 30 June 2012	<u>11,954,751</u>
Net book value	
At 30 June 2012	<u>2,542,190</u>
At 30 June 2011	<u>13,459,950</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Class of shares	Holding
Pharmaki Limited	Ordinary	100%
Pharmakon Limited	Ordinary	76%

BR PHARMA INTERNATIONAL LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2012**

8. FIXED ASSET INVESTMENTS (continued)

The aggregate of the share capital and reserves as at 30 June 2012 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Pharmaki Limited	2,100	-
Pharmakon Limited	2,539,480	-
	<u>2,541,580</u>	<u>-</u>

During the year, Pharmaki Limited, a 100% subsidiary, and Pharmakon Limited's trade and assets were hived up to this company. The cost of investments were impaired to the net assets' positions of the companies as above.

9. STOCKS

	2012 £	2011 £
Finished goods and goods for resale	<u>1,468,669</u>	<u>941,132</u>

10. DEBTORS

	2012 £	2011 £
Trade debtors	3,468,691	1,694,187
Amounts owed by group undertakings	-	239,466
Other debtors	672,491	8,828
Prepayments and accrued income	260,230	118,025
	<u>4,401,412</u>	<u>2,060,506</u>

BR PHARMA INTERNATIONAL LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2012**

11. CURRENT ASSET INVESTMENTS

	2012 £	2011 £
Unlisted investments	<u>2,297</u>	<u>2,289</u>

Unlisted investments represent cash held in Global Treasury Funds

**12. CREDITORS:
Amounts falling due within one year**

	2012 £	2011 £
Trade creditors	692,545	638,768
Amounts owed to group undertakings	2,541,899	5,292,607
Corporation tax	414,068	322,548
Social security and other taxes	799,642	455,341
Other creditors	525,921	314,657
Accruals and deferred income	419,337	257,041
	<u>5,393,412</u>	<u>7,280,962</u>

13. DEFERRED TAXATION LIABILITY

	2012 £	2011 £
At beginning of year	15,994	20,555
Released during year	(1,693)	(4,561)
	<u>14,301</u>	<u>15,994</u>

The provision for deferred taxation is made up as follows

	2012 £	2011 £
Accelerated capital allowances	<u>14,301</u>	<u>15,994</u>

BR PHARMA INTERNATIONAL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2012

14. PROVISIONS

	Provision £
Additions	641,059
At 30 June 2012	<u>641,059</u>

Provision

On 17 March 2010 HM Revenue and Customs issued a protective "Notice of Regulation 80 Determination" assessing unpaid PAYE and National Insurance Contributions relating to the years ended 30 June 2005 and 30 June 2006. This determination was issued as a result of an ongoing enquiry into payments made to the Share Incentive Plan (SIP) that was set up in 2005 and is based on the valuation of the shares purchased by the SIP. Negotiations with HM Revenue and Customs are ongoing and the directors estimate of the expected settlement is £641,059 which has been provided for in these financial statements. Interest due on overdue tax of £397,732 has also been accrued for in these financial statements.

15. SHARE CAPITAL

	2012 £	2011 £
Shares classified as capital		
Allotted, called up and fully paid		
2,827 Ordinary shares of £0.01 each	28	28
7,173 'A' Ordinary shares of £0.01 each	72	72
4,375 'B' Ordinary shares of £0.001 each	4	4
2,363 'C' Ordinary shares of £0.001 each	2	2
983,262 'D' Ordinary shares of £0.01 each	9,833	9,833
	<u>9,939</u>	<u>9,939</u>

All classes of shares rank pari passu

BR PHARMA INTERNATIONAL LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
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16. RESERVES

	Share premium account £	Capital redemption reserve £	Share based payment reserve £	Other reserves £	Profit and loss account £
At 1 July 2011	14,077,100	6,285,000	25,466	(12,724,331)	6,282,564
Loss for the year					(6,101,339)
Share based payment charge for year			10,085		
Deferred tax release on award of shares				(3,026)	
Transfer between reserves				44,956	(44,956)
Pharmakon Limited Share Incentive Plan contribution acquired on hive up (net of deferred tax)				(2,253,882)	
Transfer between share based payment reserve and other reserves			4,560	(4,560)	
At 30 June 2012	<u>14,077,100</u>	<u>6,285,000</u>	<u>40,111</u>	<u>(14,940,843)</u>	<u>136,269</u>

BR PHARMA INTERNATIONAL LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2012**

OTHER RESERVES

	2012 £
Reserve for investment in own shares	
At 1 July 2011	18,143,037
Pharmakon Limited Share Incentive Plan contribution acquired on hive up	3,215,166
Transfer to share based payment reserve, 2009 to 2011 share based payment charge in relation to Pharmakon Limited Share Incentive Plan	4,560
Transfer excess cost of shares awarded to profit and loss reserve	(62,052)
	<u>21,300,711</u>
Balance at 30 June 2012	<u>21,300,711</u>
	2012 £
Reserve for deferred tax on investment in own shares	
At 1 July 2011	5,418,706
Deferred tax on Pharmakon Share Incentive Plan contribution acquired on hive up	961,284
Deferred tax release on share award	(3,026)
Transfer of deferred tax on above on excess cost	(17,096)
	<u>6,359,868</u>
Balance at 30 June 2012	<u>6,359,868</u>
Other Reserves as above	<u>14,940,843</u>

BR PHARMA INTERNATIONAL LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2012**

INVESTMENT IN OWN SHARES

	Shares held in trust	Nominal value £	Cost £	Total £
	Number			
A Ordinary 1p shares	7,173	72	21,485,942	21,485,942
D Ordinary 1p shares	421,374	4,214	63,206	63,206
Cumulative transfer of excess cost of shares awarded to profit and loss reserve	-	-	(248,437)	(248,437)
Total	<u>428,547</u>	<u>4,286</u>	<u>21,300,711</u>	<u>21,300,711</u>

In the year to 30 June 2005, the company established a Share Incentive Plan (SIP) to purchase shares in the company for the benefit of employees

As BR Pharma International Limited is a private company, there is no observable market price for the shares granted. Therefore, the value of the shares was measured using generally accepted valuation methodology which allowed for this. The fair value of the shares at the grant date was £50,426.

As the value of the shares is less than the cost of the shares, the difference is being transferred from the SIP reserve to the profit and loss reserve over the grant period.

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Opening shareholders' funds	13,955,738	14,147,092
Loss for the year	(6,101,339)	(197,349)
Preference shares reclassified to debt	-	3,035,000
Redemption of preference shares	-	(3,035,000)
J R Pharma Limited investment in SIP acquired on hive up	(2,253,882)	-
Deferred tax release on award of shares	(3,026)	(2,570)
Share based payment charge	10,085	8,565
Closing shareholders' funds	<u>5,607,576</u>	<u>13,955,738</u>

BR PHARMA INTERNATIONAL LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2012**

18. NET CASH FLOW FROM OPERATING ACTIVITIES

	2012 £	2011 £
Operating (loss)/profit	(10,384,979)	68,127
Exceptional items	10,917,760	1,036,991
Depreciation of tangible fixed assets	15,102	17,837
(Increase)/decrease in stocks	(527,537)	576,122
(Increase)/decrease in debtors	(2,580,373)	1,868,187
Decrease/(increase) in amounts owed by group undertakings	239,466	(104,406)
Increase in creditors	771,639	703,888
(Decrease)/increase in amounts owed to group undertakings	(2,750,708)	135,990
Share based payment charge	651,144	8,565
Transfer of Share Incentive Plan on hive up	(2,253,882)	-
Net cash (outflow)/inflow from operating activities	(5,902,368)	4,319,866

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2012 £	2011 £
Returns on investments and servicing of finance		
Interest received	22,604	48,836
Interest paid	(397,732)	-
Dividends received	4,656,220	-
Net cash inflow from returns on investments and servicing of finance	4,281,092	48,836
	2012 £	2011 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(4,180)	(663)
Purchase of short term unlisted investments	(8)	(5)
Net cash outflow from capital expenditure	(4,188)	(668)
	2012 £	2011 £
Financing		
Shares treated as debt - Redeemed	-	(3,035,000)

BR PHARMA INTERNATIONAL LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2012**

20. ANALYSIS OF CHANGES IN NET DEBT

	1 July 2011 £	Cash flow £	Other non-cash changes £	30 June 2012 £
Cash at bank and in hand	4,695,300	(1,536,115)	-	3,159,185
Net funds	4,695,300	(1,536,115)	-	3,159,185

21. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £1,827 (2011 - £953). No contributions were payable to the fund at the balance sheet date.

22. DIRECTORS' BENEFITS, ADVANCES, CREDIT AND GUARANTEES

At the year end, J Rabin, the director of the company was owed £58,054 (2011 - £101,593) by the company.