
BR PHARMA INTERNATIONAL LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2014

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COMPANIES HOUSE

BR PHARMA INTERNATIONAL LIMITED

COMPANY INFORMATION

DIRECTORS

J Rabin
S A Glanvill

COMPANY SECRETARY

F Rabin

REGISTERED NUMBER

03591021

REGISTERED OFFICE

Haslers
Old Station Road
Loughton
Essex
IG10 4PL

INDEPENDENT AUDITORS

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

BR PHARMA INTERNATIONAL LIMITED

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BR PHARMA INTERNATIONAL LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2014

INTRODUCTION

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

BUSINESS REVIEW

The results for the year and the financial position at the year-end were considered satisfactory by the directors. Sales were down in the year but the gross margin was improved. This was in part due to increased trading with Allomedic GmbH, a related party. Profit for the year increased partly due there being an exceptional profit and loss item this year. The market continues to be very competitive but the directors expect the company to continue to be profitable. Within the year the SIP scheme was settled and terminated resulting in balance sheet movements including the conversion of the company's share premium reserves into distributable reserves as explained in note 16 of the accounts.

PRINCIPAL RISKS AND UNCERTAINTIES

The company'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 company has in place a risk management programme that seeks to limit the adverse effect on the financial performance of the company by monitoring levels of debt finance and the related finance costs. The company does not use derivative financial instruments to manage interest rate costs, and as such no hedge accounting is applied. Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The company'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. Detail on these is included in the Directors Report.

FINANCIAL KEY PERFORMANCE INDICATORS

The directors consider the key financial performance indicators for this company to be turnover, gross margin and profit before tax. Turnover has decreased by 9% in the year and this is due to the reduction in trading in the UK market including difficulties in obtaining licences and the sourcing of products. The company did experience an increase in trading with a related party this year Allomedic GmbH by 4% and royalty income was also received from this company this year. Whilst turnover has decreased the gross margin has however increased in the year and is 26.3% compared to 21.3% last year. This is partly due to the increase in sales to Allomedic GmbH and royalty income from that company, coupled with the increase in sale volume of higher margin items versus lower margin items.

This report was approved by the board on 5 March 2015 and signed on its behalf.



J Rabin
Director

BR PHARMA INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2014

The directors present their report and the financial statements for the year ended 30 June 2014.

PRINCIPAL ACTIVITIES

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

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,502,995 (2013 - £633,360).

No interim dividends were paid in the year and the directors recommend that no final dividend be declared for the year (2012 - £Nil).

DIRECTORS

The directors who served during the year were:

J Rabin
S A Glanvill

As at 30 June 2013 7,173 'A' Ordinary 1p shares and 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. These shares were bought back by the company and cancelled in May 2014. The directors of SIP Trustees Limited include Mr J O'Shea who is partner and Mr A Perez, who is an employee, of Haslers, auditors of our company. Neither Mr J O'Shea nor Mr A Perez have any involvement in the management or audit of the company.

FINANCIAL INSTRUMENTS

The company'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 company has in place a risk management programme that seeks to limit the adverse effect on the financial performance of the company by monitoring levels of debt finance and the related finance costs. The company does not use derivative financial instruments to manage interest rate costs, and as such no hedge accounting is applied.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The company'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 company's principal foreign currency exposures arise from trading with overseas companies. The company'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 company 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 company.

BR PHARMA INTERNATIONAL LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2014**

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 company 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 company 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

DISCLOSURE OF INFORMATION TO AUDITORS

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

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company'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 5 March 2015 and signed on its behalf.



J Rabin
Director

BR PHARMA INTERNATIONAL LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the 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.

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.

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 6 to 20, together with the financial statements of BR Pharma International Limited for the year ended 30 June 2014 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.

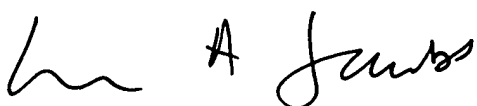
RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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 6 to 20 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 Auditor
Old Station Road
Loughton
Essex
IG10 4PL

5 March 2015

BR PHARMA INTERNATIONAL LIMITED

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 £	2013 £
TURNOVER	1	10,027,170	10,998,192
GROSS PROFIT		2,633,212	2,347,487
Administrative expenses		(701,638)	(767,499)
Exceptional administrative expenses		-	(607,547)
Total administrative expenses		(701,638)	(1,375,046)
OPERATING PROFIT	2	1,931,574	972,441
Interest receivable and similar income		17,635	25,998
Interest payable and similar charges	5	(1,848)	40,889
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,947,361	1,039,328
Tax on profit on ordinary activities	6	(444,366)	(405,968)
PROFIT FOR THE FINANCIAL YEAR	14	1,502,995	633,360

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

The notes on pages 9 to 20 form part of these financial statements.

BR PHARMA INTERNATIONAL LIMITED
03591021

ABBREVIATED BALANCE SHEET
AS AT 30 JUNE 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Tangible assets	7	90,274	90,068
Investments	8	-	2,100
		<u>90,274</u>	<u>92,168</u>
CURRENT ASSETS			
Stocks	9	1,264,812	877,744
Debtors	10	2,470,462	2,213,650
Cash at bank and in hand		5,417,690	4,725,180
		<u>9,152,964</u>	<u>7,816,574</u>
CREDITORS: amounts falling due within one year	11	<u>(1,524,685)</u>	<u>(1,646,446)</u>
NET CURRENT ASSETS		<u>7,628,279</u>	<u>6,170,128</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,718,553</u>	<u>6,262,296</u>
PROVISIONS FOR LIABILITIES			
Deferred Tax	12	<u>(16,286)</u>	<u>(14,301)</u>
NET ASSETS		<u><u>7,702,267</u></u>	<u><u>6,247,995</u></u>
CAPITAL AND RESERVES			
Called up share capital	13	5,653	9,939
Share premium account		-	14,077,100
Capital redemption reserve	14	6,289,286	6,285,000
Share based payment reserve	14	-	50,196
Other reserves	14	-	(14,900,433)
Profit and loss account	14	1,407,328	726,193
SHAREHOLDERS' FUNDS	15	<u><u>7,702,267</u></u>	<u><u>6,247,995</u></u>

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 5 March 2015.



J Rabin
Director

The notes on pages 9 to 20 form part of these financial statements.

BR PHARMA INTERNATIONAL LIMITED

**ABBREVIATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	16	1,181,157	2,131,995
Returns on investments and servicing of finance	17	15,787	66,887
Taxation		(439,116)	(614,068)
Capital expenditure and financial investment	17	(16,597)	(18,819)
CASH INFLOW BEFORE FINANCING		741,231	1,565,995
Financing	17	(48,721)	-
INCREASE IN CASH IN THE YEAR		692,510	1,565,995

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 30 JUNE 2014**

	2014 £	2013 £
Increase in cash in the year	692,510	1,565,995
MOVEMENT IN NET DEBT IN THE YEAR	692,510	1,565,995
Net funds at 1 July 2013	4,725,180	3,159,185
NET FUNDS AT 30 JUNE 2014	5,417,690	4,725,180

The notes on pages 9 to 20 form part of these financial statements.

BR PHARMA INTERNATIONAL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2014

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 subsidiary 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 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

1.4 Stocks

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

1.5 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.

BR PHARMA INTERNATIONAL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2014

1. ACCOUNTING POLICIES (continued)

1.6 Share based payments

On 14 April 2009, the trustees of the SIP granted 7,173 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.

1.7 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.

1.8 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.

1.9 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 previous 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.

BR PHARMA INTERNATIONAL LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2014**

2. OPERATING PROFIT

The operating profit is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	16,391	13,643
Auditors' remuneration	16,000	-
Share based payment	-	10,085
Exceptional administrative expenses - Impairment	-	607,549
	<u>16,391</u>	<u>607,549</u>

Exceptional administrative expenses - Impairment

£607,549 represent an impairment charge against the company's investments in Pharmakon Limited following the final distribution from this former subsidiary and in connection with its liquidation.

3. STAFF COSTS

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

	2014 £	2013 £
Wages and salaries	653,922	632,881
Social security costs	60,320	61,496
Other pension costs	1,827	1,827
	<u>716,069</u>	<u>696,204</u>

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

	2014 No.	2013 No.
Administration	8	8
Production	22	19
	<u>30</u>	<u>27</u>

4. DIRECTORS' REMUNERATION

	2014 £	2013 £
Remuneration	34,144	53,532
	<u>34,144</u>	<u>53,532</u>

BR PHARMA INTERNATIONAL LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2014**

5. INTEREST PAYABLE

	2014 £	2013 £
On bank loans and overdrafts	82	1,733
Other interest payable	1,766	(42,622)
	<u>1,848</u>	<u>(40,889)</u>

6. TAXATION

	2014 £	2013 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	437,273	408,994
Adjustments in respect of prior periods	5,108	-
Total current tax	<u>442,381</u>	<u>408,994</u>
Deferred tax (see note 12 and 17)		
Origination and reversal of timing differences	1,985	(3,026)
Tax on profit on ordinary activities	<u>444,366</u>	<u>405,968</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - *lower than*) the standard rate of corporation tax in the UK of 22% (2013 - 24%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>1,947,361</u>	<u>1,039,328</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22% (2013 - 24%)	428,419	249,439
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	16,626	165,675
Depreciation for year in excess of capital allowances	(4,280)	2,986
Effect of marginal tax rate in the year	-	(7,117)
Adjustments to tax charge in respect of prior periods	5,108	-
Other differences leading to an increase (decrease) in the tax charge	(3,492)	(1,989)
Current tax charge for the year (see note above)	<u>442,381</u>	<u>408,994</u>

BR PHARMA INTERNATIONAL LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2014**

6. TAXATION (continued)**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

7. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Fixtures & Fittings £	Total £
Cost			
At 1 July 2013	29,231	351,762	380,993
Additions	-	16,597	16,597
At 30 June 2014	29,231	368,359	397,590
Depreciation			
At 1 July 2013	22,726	268,199	290,925
Charge for the year	976	15,415	16,391
At 30 June 2014	23,702	283,614	307,316
Net book value			
At 30 June 2014	5,529	84,745	90,274
At 30 June 2013	6,505	83,563	90,068

BR PHARMA INTERNATIONAL LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2014**

8. FIXED ASSET INVESTMENTS

	Investments in Subsidiary Companies £
Cost or valuation	
At 1 July 2013	14,496,941
Disposals	(14,496,941)
At 30 June 2014	-
Impairment	
At 1 July 2013	14,494,841
Charge for the year	2,100
Impairment on disposals	(14,496,941)
At 30 June 2014	-
Net book value	
At 30 June 2014	-
At 30 June 2013	2,100

Subsidiary undertakings

The following was a subsidiary undertakings of the company:

Name	Class of shares	Holding
Pharmaki Limited	Ordinary	100%

The aggregate of the share capital and reserves as at 30 June 2014 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	-

The company's dormant subsidiary Pharmaki limited was placed in application to strike off after the year-end and is therefore effectively disposed off in these financial statements.

The company's dormant subsidiary Pharmakon limited was placed in members' liquidation and so disposed of in the financial statements.

BR PHARMA INTERNATIONAL LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2014**

9. STOCKS

	2014 £	2013 £
Finished goods and goods for resale	1,264,812	877,744

10. DEBTORS

	2014 £	2013 £
Trade debtors	1,419,206	1,005,870
Other debtors	982,199	937,626
Prepayments and accrued income	69,057	270,154
	<u>2,470,462</u>	<u>2,213,650</u>

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

	2014 £	2013 £
Trade creditors	488,626	434,208
Amounts owed to group undertakings	-	2,420
Corporation tax	212,259	208,994
Other taxation and social security	312,492	11,680
Other creditors	277,378	967,539
Accruals and deferred income	233,930	21,605
	<u>1,524,685</u>	<u>1,646,446</u>

12. DEFERRED TAXATION LIABILITY

	2014 £	2013 £
At beginning of year	14,301	14,301
Charge for year (P&L)	1,985	-
	<u>16,286</u>	<u>14,301</u>

The provision for deferred taxation is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	16,286	14,301

BR PHARMA INTERNATIONAL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2014

13. SHARE CAPITAL

	2014 £	2013 £
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
4,375 'B' Ordinary shares of £0.001 each	4	4
2,363 'C' Ordinary shares of £0.001 each	2	2
561,889 (2013 - 983,262) 'D' Ordinary shares of £0.01 each	5,619	9,833
	5,653	9,939

During the year the company purchased back all 'A' Ordinary shares and 421,373 'D' Ordinary shares from SIP trustees. All classes of shares rank pari passu.

BR PHARMA INTERNATIONAL LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2014**

14. RESERVES

	Capital redemption reserve £	Share based payment reserve £	Other reserves £	Profit and loss account £
At 1 July 2013	6,285,000	50,196	(14,900,433)	726,193
Profit for the year				1,502,995
Purchase of own shares				(48,723)
Transfer between Capital redemption reserve and Profit & Loss account	4,286			
Transfer between reserves		(50,196)	14,900,433	(773,137)
At 30 June 2014	<u>6,289,286</u>	<u>-</u>	<u>-</u>	<u>1,407,328</u>

OTHER RESERVES

2014
£

Reserve for investment in own shares

At 1 July 2013	21,238,659
Transfer on closure of the scheme to profit and loss reserves	(21,238,659)
Balance at 30 June 2014	<u>-</u>

2014
£

Reserve for deferred tax on investment in own shares

At 1 July 2013	6,338,226
Transfer on closure of the scheme to profit and loss reserves	(6,338,226)
Balance at 30 June 201	<u>-</u>

Other Reserves as above

-

BR PHARMA INTERNATIONAL LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2014**

INVESTMENT IN OWN SHARES

	Shares held in trust	Nominal value £	Cost £	Total £
	Number			
A Ordinary 1p shares	7,173	72	21,796,431	21,796,431
D Ordinary 1p shares	421,374	4,214	63,206	63,206
Shares vested	(7,173)	(72)	21,796,431	(21,796,431)
Shares brought back on termination of the SIP	(421,374)	(4,214)	(63,206)	(63,206)
Total	-	-	-	-

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.

During the year, the vesting period of the shares awarded came to an end. As a result, the part of the reserve that relates to this share award has now been transferred to the profit and loss reserve in accordance with FRS20.

On 29 May 2014, the company bought back the remaining shares held by the SIP trust at £0.11 per share. The SIP was then terminated.

ADJUSTING POST BALANCE SHEET EVENT

The SIP scheme was terminated in April 2014. As part of the termination it was decided by the Board to carry out a permissible capital repayment in respect of the share premium reserve stated in the accounts so as to create distributable reserves. Whilst the actual statutory paperwork for this will have been physically filed in the financial year ended 30 June 2015 as the management decision was made in the year ended 30 June 2014 the adjustments to share premium and profit and loss reserves have been made in these financial statements.

BR PHARMA INTERNATIONAL LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2014**

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Opening shareholders' funds	6,247,995	5,607,576
Profit for the financial year	1,502,995	633,360
SIP termination and shares redeemed/cancelled during the year	14,028,377	-
Conversion of share premium reserve	(14,077,100)	-
Deferred tax release on award of shares	-	(3,026)
Share based payment charge	-	10,085
	<u>7,702,267</u>	<u>6,247,995</u>
Closing shareholders' funds	<u>7,702,267</u>	<u>6,247,995</u>

16. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating profit	1,931,574	972,441
Exceptional items	-	607,547
Depreciation of tangible fixed assets	16,391	13,643
(Increase)/decrease in stocks	(387,068)	590,925
(Increase)/decrease in debtors	(256,812)	2,187,764
Decrease in creditors	(122,608)	(1,002,415)
Decrease in amounts owed to group undertakings	(2,420)	(606,936)
Increase/(decrease) in provisions	2,100	(630,974)
	<u>1,181,157</u>	<u>2,131,995</u>
Net cash inflow from operating activities	<u>1,181,157</u>	<u>2,131,995</u>

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

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	17,635	25,998
Interest paid	(1,848)	40,889
	<u>15,787</u>	<u>66,887</u>
Net cash inflow from returns on investments and servicing of finance	<u>15,787</u>	<u>66,887</u>

BR PHARMA INTERNATIONAL LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2014**

17. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(16,597)	(21,116)
Sale of short term unlisted investments	-	2,297
Net cash outflow from capital expenditure	<u>(16,597)</u>	<u>(18,819)</u>
	2014 £	2013 £
Financing		
Purchase of ordinary shares	<u>(48,721)</u>	<u>-</u>

18. ANALYSIS OF CHANGES IN NET FUNDS

	1 July 2013 £	Cash flow £	Other non-cash changes £	30 June 2014 £
Cash at bank and in hand	4,725,180	692,510	-	5,417,690
Net funds	<u>4,725,180</u>	<u>692,510</u>	<u>-</u>	<u>5,417,690</u>

19. 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 (2013: £1,827). No contributions were payable to the fund at the balance sheet date.