

Catalent CTS (Edinburgh) Limited

Report and Financial Statements

For the nine months ended 30 June 2012

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COMPANIES HOUSE

Catalent CTS (Edinburgh) Limited

Registered No 05277708

Directors

J G Hepburn
R Hopson
S Houlton
M Walsh

Secretary

J G Hepburn (resigned 17 February 2012)
R Hopson (appointed 17 February 2012)

Auditors

Ernst & Young LLP
10 George Street
Edinburgh
EH2 2DZ

Bankers

JP Morgan Chase Bank
125 London Wall
London
EC2Y 5AJ

Solicitors

Herbert Smith LLP
Exchange House
Primrose Street
London
EC2A 2HS

Registered Office

Unit 107
Deeside Industrial Park
Deeside
Flintshire
CH5 2UA

Registered No 05277708

Directors' report

The directors present their report and financial statements for the nine months ended 30 June 2012.

On 29 February 2012 the company changed its name to Catalent CTS (Edinburgh) Limited following the sale of the company by Aptuit Inc to Catalent Inc

The Company changed its financial year end from September to June in the period to align with its new parent Company's year end. The results presented in these Report and Financial Statements are for the nine months ended 30 June 2012

Results and dividends

The profit for the nine months ended 30 June 2012 for the company, after taxation, amounted to £11,992,595 (12 months ended 30 September 2011: loss £15,438,686). The directors do not recommend a dividend for the period (2011: £nil).

Principal activity, review of the business and future developments

The Company's principal activities during the period were the management of Active Pharmaceutical Development, Contract Packaging, Distribution of clinical trial drug materials and related activities within the pharmaceutical industry.

On 10 November 2011 the company capitalised all of the £8,508,225 capital contribution reserve and increased its share capital by the bonus issue of additional ordinary shares in the capital of the Company to the parent Catalent CTS (Wales) Limited, formerly Aptuit (Wales) Limited. In doing so the capital contribution reserve was reduced to nil, 34,000,000 ordinary shares of £1.00 held by the parent Catalent CTS (Wales) Limited were cancelled and extinguished for no consideration to effect a capital reduction and increase distributable reserves.

In December 2011, in readiness for the sale by Aptuit Inc to Catalent Inc of the Company and its Clinical Supplies operations on 17 February 2012, the Company sold its operations and residual net assets of the Riccarton, Livingston and Oxford sites. The purpose of these transactions were to transfer all activities which were not the subject of the sale to other group companies.

The directors are pleased with the Company's performance in relation to its continuing Clinical Supply Service operations which returned an operating profit of £8,297,929 for the period on turnover of £36,890,930.

The discontinued operations loss of £1,204,264 primarily represents the trading results of the Oxford site for the three months period from October to December 2011 prior to its sale. This operating loss was enhanced by net exceptional gains of £5,428,183 in relation to the restructuring of the company and sale of the assets and operations of the Riccarton, Livingston and Oxford sites in December 2011 as detailed under note 4.

In addition to the above transfers, the Company's investment in Aptuit (Glasgow) Limited which was not part of the wider sale to Catalent Inc was sold by the Company in December 2011 to Aptuit Inc for a consideration of £1.

Further to the restructuring noted above, since December 2011, the Company's sole focus is on its profitable and cash generative Clinical Supply Services businesses.

The company continues to receive all necessary financial backing from its new parent company, Catalent Inc.

Directors' report

Directors' statement on going concern

In line with the Financial Reporting Council's guidance on going concern issued in November 2009, the directors have undertaken an exercise to review the appropriateness of the continued use of the going concern basis

After making suitable enquiries, the directors have a reasonable expectation that the company has adequate resources to remain in operation for the foreseeable future and have therefore continued to adopt the going concern basis of accounting in preparing the annual financial statements

Financial risk management objectives and policies

The main risks arising from the company's assets and liabilities are liquidity and foreign currency risks. The company has clear policies for managing each of these risks as summarised below

Liquidity Risk

The company aims to mitigate liquidity risk by managing cash generation by its operations and applying cash collection targets. Investment is carefully controlled, with authorisation limits operating at different levels up to group board level and with hurdle rates of return and cash payback periods applied as part of the investment appraisal process

The company participates in the overall world-wide group's funding strategy managed at corporate treasury level. The objective is to maintain a balance between continuity of funding and flexibility

Foreign Currency Risk

The company buys and sells goods and services denominated in currencies other than sterling. As a result of the value of the company's non-sterling revenues, purchases, financial assets and liabilities, cash flows can be affected significantly by movements in exchange rates

For very large currency transactions the company seeks to mitigate its exposure to currency movements by working with the Group's Treasury department who would, as appropriate, enter into hedging arrangements, denominated in the same currency as the operating funds flow, to match the exposures anticipated in the business

Employees

The company's policy is to consult and discuss with employees matters likely to affect employee's interests. Information on matters of concern to employees is given through employee quarterly meetings and monthly team briefings and involves all levels of staff. These meetings seek to achieve a common awareness of the financial and economic factors affecting the company's performance

It is the company's policy to recruit the person best suited to the role including disabled workers for those vacancies that they are able to fill and all necessary assistance with initial training courses given. Once employed, a career plan is developed so as to ensure suitable opportunities for all employees

Directors' report

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor is unaware. Having made enquiries of fellow directors and the group auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Directors and their interests

The directors who held office during the year were as follows

T Amat (resigned 17 February 2012)

J Fikre (resigned 17 February 2012)

J G Hepburn

S Houlton (appointed 17 February 2012)

R Hopson (appointed 17 February 2012)

T Tyson (resigned 17 February 2012)

M Walsh (appointed 17 February 2012)

None of the directors in office during the year held any beneficial interests in the share capital of the company during the year.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the board



J G Hepburn
Director

27 March 2013

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable laws 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to 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.

Independent Auditor's Report to the Members of Catalent CTS (Edinburgh) Limited

We have audited the financial statements of Catalent CTS (Edinburgh) Limited for the nine months ended 30 June 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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.

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 Report and Financial Statements to identify material inconsistencies with the audited financial statements. 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 June 2012 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent Auditor's Report to the Members of Catalent CTS (Edinburgh) Limited

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

Ernst & Young LLP

Mark Harvey (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor
Edinburgh

28 March 2013

Profit and loss account

For the nine months ended 30 June 2012

Notes	Period to 30 June 2012			Period to 30 September 2011		
	Total 2012 £	Continuing Operations 2012 £	Discontinued Operations - 2012 (Note 24) £	Total 2011 £	Continuing Operations 2011 £	Discontinued Operations - 2011 (Note 24) £
Turnover	2	38,750,157	36,890,930	73,129,966	51,713,797	21,416,169
Cost of sales		(18,258,019)	(16,827,292)	(38,561,791)	(21,375,928)	(17,185,863)
Gross profit		20,492,138	20,063,638	34,568,175	30,337,869	4,230,306
Operating expenses	3	(13,392,129)	(11,765,709)	(32,477,107)	(19,267,956)	(13,209,151)
Operating profit/(loss)	5	7,100,009	8,297,929	2,091,068	11,069,913	(8,978,845)
Non-operating exceptional items – Gain on Sale of Operations	4	5,428,183	-	(14,945,603)	-	(14,945,603)
Profit/(loss) on ordinary activities before investment income, interest and taxation		12,528,192	8,297,929	(12,854,535)	11,069,913	(23,924,448)
Interest receivable	8	-	-	24,432	24,432	-
Impairment of investments	11	-	-	(862,942)	(862,942)	-
Interest payable	8	(535,597)	(529,253)	(1,745,641)	(1,741,310)	(4,331)
Profit/(loss) on ordinary activities before taxation		11,992,595	7,768,676	(15,438,686)	8,490,093	(23,928,779)
Taxation	9	-	-	-	-	-
Profit/(loss) for the period after taxation		11,992,595	7,768,676	(15,438,686)	8,490,093	(23,928,779)

Statement of total recognised gains and losses

For the nine months ended 30 June 2012

There are no recognised gains and losses other than the profit for the period

The notes on pages 11 to 25 form part of these financial statements

There is no difference between the historical cost profit and loss and the result shown above

Balance Sheet

For the nine months ended 30 June 2012

	Notes	2012 £	2011 £
Fixed assets			
Tangible assets	10	9,259,786	14,911,525
Investment	11	-	1
		<u>9,259,786</u>	<u>14,911,526</u>
Current assets			
Cash at bank and in hand		3,284,346	4,936,590
Stock	12	-	837,975
Debtors due within one year	13	17,907,920	28,814,669
		<u>21,192,266</u>	<u>34,589,234</u>
Liabilities falling due within one year			
Creditors	14	(14,522,066)	(35,886,250)
Finance leases	16	-	(68,188)
Provisions for liabilities and charges	17	-	(9,483,291)
Total current liabilities		<u>(14,522,066)</u>	<u>(45,437,729)</u>
Net current assets/(liabilities)		<u>6,670,200</u>	<u>(10,848,495)</u>
Total assets less current liabilities		15,929,986	4,063,031
Liabilities falling due after one year			
Creditors	15	(116,675)	(93,637)
Finance leases	16	-	(148,678)
Net Assets		<u>15,813,311</u>	<u>3,820,716</u>
Capital and reserves			
Called up share capital	18/19	4,508,325	30,000,100
Capital contribution reserve	19	-	8,508,225
Profit and loss account	19	11,304,986	(34,687,609)
Equity shareholders' funds		<u>15,813,311</u>	<u>3,820,716</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 March 2013


J G Hepburn
Director

The notes on pages 11 to 25 form part of these financial statements

Notes to the Financial Statements

at 30 June 2012

1. Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom

The accounts have been prepared on a going concern basis

Cash flow statement

As permitted by FRS 1 (Revised), no cash flow statement has been prepared as the company is a wholly owned subsidiary of Aptuit (Wales) Limited, whose group financial statements include a consolidated cash flow statement and are publicly available

Tangible fixed assets

The assets acquired by the company are stated at cost less accumulated depreciation and accumulated impairment losses

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life. It is calculated on a straight line basis over the following useful lives

Buildings	- 40 years
Plant and machinery	- 7-10 years
Fixtures, fittings and equipment	- 5-10 years

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be reasonable

Fixed asset investments

Fixed asset investments, including those in subsidiary and associated undertakings, are included in the balance sheet at cost of investment, unless the directors believe the investment has suffered a permanent diminution in value

Stocks

Stocks have been valued at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal

Work in progress

The basis of valuation is direct cost uplifted for attributable overheads. Provision is made for losses on individual contracts

Notes to the Financial Statements

at 30 June 2012

Amounts payable/recoverable on long term contracts

Customer billings are established by contractual provisions, including predetermined payment schedules, the achievement of contractual milestones or submission of appropriate billing detail. Unbilled services arise when services have been rendered and revenue has been recognised but customers have not been billed. Unbilled accounts receivable represent revenues on contracts to be billed, in subsequent periods, as per the terms of the related contracts. Conversely, unearned revenue represents amounts billed in excess of revenue recognised.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more or a right to pay less or to receive more tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

Leasing and hire purchase agreements

Assets held under finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease, with a corresponding liability being recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease payments are apportioned between the reduction of the lease liability and finance charges in the income statement so as to achieve a constant rate of interest on the remaining balance of the liability.

Assets held under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

The rental costs of all operating leases are charged to the profit and loss account as incurred.

Pensions

Contributions to defined contribution pension schemes are charged to the profit and loss account in the period in which they become payable.

Related party transactions

In accordance with the exemption permitted by FRS 8, Related Party Transactions, transactions with fellow wholly owned group companies have not been disclosed.

Notes to the Financial Statements

at 30 June 2012

2. Turnover

Turnover, which is stated net of value added tax, represents amounts receivable for goods and services supplied during the period. A majority of the Group's revenues have been earned under contracts which range in duration from a few months to several years, depending on the service rendered. Service contracts generally take the form of fee-for-service or fixed-price agreements. In the case of fee-for-service contracts, revenue is recognised as contractual milestones are achieved based on output measures recognising our effort as work is incurred.

Turnover is wholly attributable to the principal activity of the company

	2012 Period to 30 June £	2011 Year to 30 Sept £
Analysis by geographical market:		
United Kingdom	6,655,341	15,233,243
Rest of Europe	19,940,283	35,896,663
Rest of World	12,154,533	22,000,060
	38,750,157	73,129,966

3. Operating Expenses

	2012 Period to 30 June £	2011 Year to 30 Sept £
Marketing and distribution	41,833	378,688
Contract Services	858,940	880,280
Computer Expenses	252,181	507,808
Administrative expenses		
- Administrative expenses	12,239,175	27,918,501
- Impairment of intercompany debtor	-	2,791,830
	13,392,129	32,477,107

Notes to the Financial Statements

at 30 June 2012

4. Exceptional items

	2012 Period to 30 June £	2011 Year to 30 Sept £
Profit on sale of Intangibles	-	(3,263,325)
Cost of closing Riccarton and Livingston sites	-	18,208,928
Gain on sale of assets and operations:		
- Riccarton & Livingston sites	(742,250)	-
- Oxford site	(9,312,669)	-
Waiver of intercompany receivable	4,626,736	-
	(5,428,183)	14,945,603

In readiness for the sale by Aptuit Inc to Catalent Inc of the Company and its Clinical Supplies operations on 17 February 2012, the Company sold its operations and residual net assets of the Riccarton, Livingston and Oxford sites. The purpose of these transactions was to transfer all activities which were not the subject of the sale to other group companies.

The non-Clinical Supplies operations and assets at the Oxford site was sold to Aptuit (Oxford) Limited for a consideration of £16.8 million. Net assets sold were £7.5 million, resulting in a gain on sale of £9.3 million. Consideration was offset against intercompany debts owed by Aptuit (Oxford) Ltd.

The residual non-Clinical Supplies operations and assets at the Livingston and Riccarton sites which were closed in September 2011 were sold to Aptuit (RicLiv) Limited. Net consideration paid by the company to Aptuit (RicLiv) Limited of £6.5 million included the reverse surrender of its future liabilities for the Riccarton site of £7.2 million offset by £0.7m consideration for the Livingston site's heritable property. Consideration was offset against intercompany debts owed by Aptuit (RicLiv) Ltd.

Further to the group restructuring noted above and as part of the sale by Aptuit Inc to Catalent of the remaining operations, the non-Clinical Supplies intercompany balances were netted down and the residual intercompany balance owed to the company by other group companies was waived resulting in a charge in the period of £4,626,736.

Notes to the Financial Statements

at 30 June 2012

5. Operating profit / (loss)

	2012 Period to 30 June	2011 Year to 30 Sept
	£	£
This is stated after charging:		
Depreciation (note 10)	1,369,234	4,645,631
Loss on disposal of tangible fixed assets	-	35,107
Operating lease rentals - plant and machinery	34,500	579,498
Operating lease rentals - other	355,398	1,319,177
Auditor's remuneration - audit services	130,000	174,000
Foreign Exchange (gain)/loss	(904,447)	142,367

6. Directors' emoluments

	2012 Period to 30 June	2011 Year to 30 Sept
	£	£
Emoluments	<u>163,232</u>	<u>195,562</u>
Company contributions paid to defined contribution pension schemes	<u>10,648</u>	<u>13,727</u>
The Directors emoluments for one Director was paid by the company, the emoluments of the other Directors were paid by Aptuit Inc		
	2012 No.	2011 No.
Members of defined contribution pension schemes	<u>1</u>	<u>1</u>
The number of directors to whom share options were granted over Aptuit Inc shares was as follows		
	2012 No.	2011 No.
Options granted	<u>-</u>	<u>-</u>

The remuneration of the highest paid director was £173,880 including £10,648 company contributions paid to a defined contribution pension scheme

Notes to the Financial Statements

at 30 June 2012

7. Staff costs

	2012 Period to 30 June £	2011 Year to 30 Sept £
Wages and salaries	7,458,892	19,195,046
Social security costs	889,055	2,394,733
Other pension costs	369,803	1,145,273
Bonuses and commission	170,355	1,038,258
Other Benefits	239,349	577,748
	9,127,453	24,351,058

“Other Pension Costs” relate to amounts payable to the company defined contribution pension scheme

The average monthly number of employees during the period was made up as follows

	2012 No.	2011 No.
Directors	1	1
Management and administration	127	221
Production	272	486
	400	708

Notes to the Financial Statements

at 30 June 2012

8. Net interest payable

	2012 Period to 30 June £	2011 Year to 30 Sept £
Interest receivable on bank deposits	-	-
Interest receivable from HM Revenue and Customs	-	24,432
Interest payable on bank loans and overdrafts	(285,905)	(826,482)
Interest payable on loans from group companies	(243,348)	(914,828)
Interest expense on finance leases	(6,344)	(4,331)
Interest payable	(535,597)	(1,745,641)
Net interest payable	(535,597)	(1,721,209)

Notes to the Financial Statements

at 30 June 2012

9. Tax

(a) Tax on profit on ordinary activities

	Period to 30 June 2012 £	Year to 30 Sept 2011 £
UK Corporation tax		
Corporation tax on profit for the period	-	-
Adjustment in respect of prior periods		
Total current tax	-	-
Original and reversal of timing differences	-	-
Impact of changes in tax rate	-	-
Total tax charge	-	-

(b) Factors affecting current tax charges

The tax assessed on the profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 25.33% (2011: 27%). The differences are reconciled below

	Period to 30 June 2012 £	Year to 30 Sept 2011 £
Profit / (loss) on ordinary activities	11,992,595	(15,438,686)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25.33% (2011: 27%)	3,037,724	(4,168,445)
Expenses not deductible for tax	1,171,952	4,518,301
Non taxable income	(2,546,911)	
Depreciation in excess of capital allowances	343,768	2,240,945
Other timing differences		(49,974)
Utilisation of unrecognised tax losses	(2,006,534)	(1,417,740)
Impairment of qualifying fixed assets	-	(1,123,087)
Total current tax	-	-

Notes to the Financial Statements

at 30 June 2012

9. Tax (Continued)

(c) Factors affecting future tax charge

The Finance Act 2012 introduced a reduction in the UK Corporation Tax rate to 24% from 1 April 2012, and to 23% from 1 April 2013. The reduction in the rate to 24% was substantively enacted on 26 March 2012, and the reduction to 23% was substantively enacted on 3 July 2012. As 24% is the rate in force on the balance sheet date, this is the rate which should be used for deferred tax purposes. The Chancellor had also previously announced that there would be subsequent reductions per annum to 21% by 2014.

In the 2013 budget, the Chancellor announced that he intends to reduce the rate of UK Corporation tax to 20%, with effect from 1 April 2015.

Subject to ongoing HMRC enquiries, the Company has tax losses of approximately £5,131,000, accelerated capital allowances of £4,130,000, and other timing differences of £296,000 on which deferred tax has not been recognised.

Notes to the Financial Statements

at 30 June 2012

10. Tangible fixed assets

	Freehold Land & Buildings	Plant & machinery	Fixtures & fittings	Assets in the course of Construc tion	Total
	£	£	£	£	£
Cost:					
At 1 October 2011	19,359,808	11,755,212	2,761,208	11,100	33,887,328
Additions	7,084	248	19,746	74,032	101,110
Transfers to group undertakings	-	-	-	-	-
Disposals	(6,367,808)	(7,070,634)	(235,254)	(11,100)	(13,684,797)
Impairments	-	-	-	-	-
Reclassifications	19,634	7,261	47,137	(74,032)	-
At 30 June 2012	<u>13,018,718</u>	<u>4,692,086</u>	<u>2,592,837</u>	<u>-</u>	<u>20,303,641</u>
Depreciation:					
At 1 October 2011	8,718,868	7,874,465	2,382,470	-	18,975,803
Provided during period	672,656	571,299	125,279	-	1,369,234
Transfers to group undertakings	-	-	-	-	-
Disposals	(4,946,792)	(4,181,755)	(172,635)	-	(9,301,182)
Impairments	-	-	-	-	-
Reclassifications	-	-	-	-	-
At 30 June 2012	<u>4,444,732</u>	<u>4,264,009</u>	<u>2,335,114</u>	<u>-</u>	<u>11,043,855</u>
Net book value:					
At 30 June 2012	<u>8,573,986</u>	<u>428,077</u>	<u>257,723</u>	<u>-</u>	<u>9,259,786</u>
At 30 September 2011	<u>10,640,940</u>	<u>3,880,747</u>	<u>378,738</u>	<u>11,100</u>	<u>14,911,525</u>

The net book value held under finance leases was £0 (2011 £227,168) Depreciation charged in the period on these assets amounted to £8,113 (2011 £5,409)

Disposals represent the sale of moveable tangible assets to the Company's sister operation, Aptuit (Oxford) Limited and Aptuit (RicLiv) Limited

Notes to the Financial Statements

at 30 June 2012

11. Investments

	Subsidiary Undertakings £
Cost:	
At 1 October 2011	11,140,542
Disposals	(11,140,542)
At 30 June 2012	-
Amounts Provided:	
At 1 October 2011	(11,140,541)
Disposed during the period	11,140,542
At 30 June 2012	-
Net Book Value at 30 June 2012	-
Net Book Value at 30 September 2011	1

On 6 December 2011 the 280,095,000 shares of £0.01 each held in Aptuit (Glasgow) Limited by the company were transferred to Aptuit Inc for a fair market value consideration of £1 equal to its carrying value.

12. Stocks

	2012 £	2010 £
Raw materials	-	618,113
Work in progress	-	219,862
	-	837,975

13. Debtors

	2012 £	2011 £
Amounts receivable within one year		
Trade debtors	12,345,091	13,813,959
Amounts owed by group undertakings	2,468,752	8,209,479
Amounts recoverable on contracts	2,488,342	4,271,074
Prepayments and accrued income	96,489	555,640
VAT Recoverable	149,197	861,459
Other debtors	360,049	1,103,058
	17,907,920	28,814,669

Notes to the Financial Statements

at 30 June 2012

14. Creditors: amounts falling due within one year

	2012	2011
	£	£
Trade creditors	2,484,297	4,760,370
Taxation and Social Security	-	130,443
Bank loan	-	9,289,664
Amounts owed to group undertakings	6,235,615	1,897,780
Payments on account	1,940,454	4,130,966
Accruals and deferred income	3,861,704	6,037,146
Loan note owed to group undertaking	-	9,639,881
	<u>14,522,066</u>	<u>35,886,250</u>

The bank loan related to a revolving credit facility and was secured by a floating charge over the company's assets. The bank loans were transferred to another group company and settled as part of the sale of the Company to Catalent Inc.

15. Creditors: amounts falling due within one year

	2012	2011
	£	£
Accruals and deferred income	<u>116,675</u>	<u>93,637</u>

16. Obligations under leases and hire purchase contracts

Annual commitments under non-cancellable operating leases are as follows

	Land and Buildings		Other	
	2012	2011	2012	2011
	£	£	£	£
Operating leases which expire				
Within one year		-		11,395
In two to five years		255,000		128,109
In over five years		1,343,126		880
	<u></u>	<u>1,598,126</u>	<u></u>	<u>140,384</u>

The company leases equipment under a long-term finance lease as follows

	2012	2011
	£	£
Equipment		
Finance leases which expire		
Within one year	-	68,188
In two to five years	-	148,678
In over five years	-	-
	<u>-</u>	<u>216,866</u>

Notes to the Financial Statements

at 30 June 2012

17. Provisions for liabilities and charges

	Restructuring £	Site decontamination and Closure costs £	Total £
Opening Balance at 1 October 2011	1,337,652	8,145,639	9,483,291
Arising during the period	-	-	-
Utilised during the period	(1,337,652)	(966,152)	(2,303,804)
Disposed during the period		(7,179,487)	(7,179,487)
Closing Balance at 30 June 2012	-	-	-

The site decontamination and closure costs provision at 1 October 2011 included an onerous lease provision in respect of a lease held in the name of the Company. The lease is sub let to another company which is responsible for settling all rental payments and associated costs with a view that the head lease will be transferred in due course and as such no onerous lease provision is carried.

Deferred tax

	2012 Provided £	2012 Unprovided £	2011 Provided £	2011 Unprovided £
Deferred tax liability / (asset)				
Accelerated capital allowances		(991,208)	-	(551,009)
Short term timing difference		(70,990)	-	(104,935)
Tax losses		(1,231,445)	-	(5,388,149)
Pension Provision			-	-
		(2,293,644)	-	(6,044,093)

18. Share capital

The authorised, allotted and fully paid share capital of the group and company consisted of

	Authorised £	Allotted, called up and fully paid £
At 1 October 2011	30,000,100	30,000,100
Bonus issue of 8,508,225 shares	-	8,508,225
Capital reduction	-	(34,000,000)
At 30 June 2012	30,000,100	4,508,325

Notes to the Financial Statements

at 30 June 2012

On 10 November 2011 the company capitalised all of the £8,508,225 capital contribution reserve and increased its share capital by the bonus issue of additional ordinary shares in the capital of the Company to the parent Catalent CTS (Wales) Limited, formerly Aptuit (Wales) Limited. In doing so the capital contribution reserve was reduced to nil, 34,000,000 ordinary shares of £1.00 held by the parent Catalent CTS (Wales) Limited were cancelled and extinguished for no consideration to effect a capital reduction and increase distributable reserves

19. Reconciliation of shareholders' funds and movements on reserves

	Share capital	Capital contribution reserve	Profit and loss account	Total
	£	£	£	£
At 1 October 2011	30,000,100	8,508,225	(34,687,609)	3,820,716
Profit for the period			11,992,595	11,992,595
Bonus share issue	8,508,225	(8,508,225)	-	-
Capital reduction	(34,000,000)	-	34,000,000	-
At 30 June 2012	<u>4,508,325</u>	<u>-</u>	<u>11,304,986</u>	<u>15,813,311</u>

20. Share options

Further to the sale of the company on 17 February 2012, all remaining unvested share options were cancelled. All vested units remain in place and are linked to the future performance of Aptuit LLC.

21. Contingent liabilities

As part of the sale of the Company by Aptuit to Catalent Inc agreements were put in place whereby Aptuit indemnified the Company against certain potential liabilities. These agreements are supported by an Escrow arrangement. As a result of this agreement, there are no contingent liabilities to report as at 30 June 2012. This includes any exposure in relation to an unsubstantiated £5m claim in respect of a manufacturing contract.

22. Pensions

The company makes contributions to a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £369,803 (2011: £1,145,273).

At the balance sheet date outstanding contributions amounted to £59,748 (2011: £166,373).

Notes to the Financial Statements

at 30 June 2012

23. Commitments

The company had no contracted capital expenditure at 30 June 2012 (2011 £Nil)

24. Discontinued Operations

The 2012 discontinued operations turnover of £1,859,227 and operating loss of £1,197,920 reported for the period relate primarily to the operations of the Oxford site which were sold in December 2011 to another group company

The 2011 discontinued turnover of £21,416,169 and retained loss of £23,928,779 reported for the period relate primarily to the operations of the Oxford site (operations turnover of £8,773,997 and retained loss of £3,824,540) and Riccarton/Livingston sites (operations turnover of £12,679,172 and retained loss of £20,104,239) which were sold in December 2011 to another group company

25. Ultimate parent undertaking

The ultimate parent undertaking is Catalent Pharam Solutions Inc, which is incorporated in the United States of America. The Company's immediate parent undertaking is Catalent CTS (Wales) Limited

A copy of the consolidated financial statements of Catalent Pharma Solutions Inc can be obtained from Catalent Pharma Solutions, 14 Schoolhouse Road, Somerset, NJ 08873