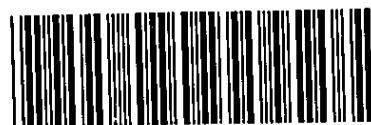


Catalent CTS (Edinburgh) Limited

Report and Financial Statements

For the year ended 30 June 2013

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COMPANIES HOUSE

Catalent CTS (Edinburgh) Limited

Registered No 05277708

Directors

J G Hepburn

R Hopson (resigned 27 January 2014)

S Houlton

W Joseph (appointed 27 January 2014)

M Walsh

Secretary

R Hopson (resigned 27 January 2014)

W Joseph (appointed 27 January 2014)

Auditors

Ernst & Young LLP

10 George Street

Edinburgh

EH2 2DZ

Bankers

Barclays Bank PLC

1 Churchill Place

Canary Wharf

London

E14 5HP

Solicitors

Herbert Smith LLP

Exchange House

Primrose Street

London

EC2A 2HS

Registered Office

Unit 107

Deeside Industrial Park

Deeside

Flintshire

CH5 2UA

Directors' report

The directors present their report and financial statements for the year ended 30 June 2013

Results and dividends

The profit for the year ended 30 June 2013 for the company, after taxation, amounted to £6,552,374 (9 months ended 30 June 2012 £11,992,595) The directors do not recommend a dividend for the year (2012 £nil)

Principal activity, review of the business and future developments

The Company's principal activities during the year were the Contract Packaging and Distribution of clinical trial drug materials from its Clinical Supply Services operations in Bathgate, Scotland and Deeside, Wales

The directors are pleased with the Company's performance in relation to its continuing Clinical Supply Service operations which returned an operating profit of £6,552,522 for the period on turnover of £57,602,260

The company's key financial and other performance indicators during the year were as follows,

	2013 Year to 30 June £000	2012 Period to 30 June £000	Change %
Turnover	57,602	38,750	49%
Operating Profit	6,553	7,100	-8%
Profit after Tax	6,553	11,993	-45%
Share Capital	4,508	4,508	0%
Current Assets as a percentage of Current liabilities ("Quick ratio")	177%	146%	21%
Average number of employees	366	400	-9%

Turnover for the period to June12 versus 12 months to June 13 is an increase of 49% An equivalent twelve month comparison would show an increase of 11% This is driven by an increase in comparator drug and storage and distribution sales

Directors' report (continued)

The reduction in operating profit for the year reflects a movement in the sales mix and associated contribution margin. There has been a reduction in Packaging sales and an increase in Storage and Distribution and Comparator sales, which yield a lower margin.

Profit after tax in 2012 included a non-operating exceptional gain of £5.4 million.

During 2013 the ratio of current assets as a percentage of current liabilities increased by 31%. The amounts owed by group undertakings increased by £6.2 million in the year and cash in hand increased by £2.5 million as a result of improved collections.

Labour efficiencies and natural attrition at both sites have resulted in a decrease in the average of employees by 34, representing 9% of the workforce.

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

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.

Directors' report (continued)

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.

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 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 period were as follows:

J G Hepburn

S Houlton

R Hopson (resigned 27 January 2014)

W Joseph (appointed 27 January 2014)

M Walsh

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

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

24 March 2014

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 year ended 30 June 2013 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 23. 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 2013 and of its profit for the year 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 (continued)

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

24 March 2014

Profit and Loss Account

For the year ended 30 June 2013

	Notes	Total 2013 £	Restated Total 2012 £	9 months to 30 June 2012 Restated Continuing Operations 2012 £	Restated Discontinued Operations – 2012 £
<i>Turnover</i>	2	57,602,260	38,750,157	36,890,930	1,859,227
Cost of sales		(34,096,257)	(23,843,984)	(21,782,463)	(2,061,521)
<i>Gross profit/(loss)</i>		23,506,003	14,906,173	15,108,467	(202,294)
Operating expenses	3	(16,953,481)	(7,806,164)	(6,810,538)	(995,626)
<i>Operating profit/(loss)</i>	5	6,552,522	7,100,009	8,297,929	(1,197,920)
Non-operating exceptional items – Gain on Sale of Operations	4	-	5,428,183	-	5,428,183
<i>Profit on ordinary activities before investment income, interest and taxation</i>		6,552,522	12,528,192	8,297,929	4,230,263
Interest payable	8	(148)	(535,597)	(529,253)	(6,344)
<i>Profit on ordinary activities before taxation</i>		6,552,374	11,992,595	7,768,676	4,223,919
Taxation	9	-	-	-	-
<i>Profit for the period after taxation</i>		6,552,374	11,992,595	7,768,676	4,223,919

Statement of total recognised gains and losses

For the year ended 30 June 2013

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

The notes on pages 11 to 20 form part of these financial statements

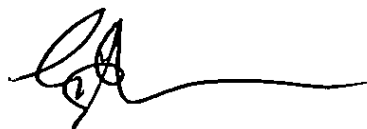
There is no difference between the historical cost profit and loss and the result shown above

Balance Sheet

As at 30 June 2013

	<i>Notes</i>	2013 £	2012 £
Fixed assets			
Tangible assets	<i>10</i>	<u>9,234,272</u>	<u>9,259,786</u>
		9,234,272	9,259,786
Current assets			
Cash at bank and in hand		5,814,194	3,284,346
Debtors due within one year	<i>11</i>	<u>24,599,590</u>	<u>17,907,920</u>
		30,413,784	21,192,266
Liabilities falling due within one year			
Creditors	<i>12</i>	<u>(17,165,696)</u>	<u>(14,522,066)</u>
		13,248,088	6,670,200
Net current assets/(liabilities)			
		22,482,360	15,929,986
Liabilities falling due after one year			
Creditors	<i>13</i>	<u>(116,675)</u>	<u>(116,675)</u>
Net Assets		<u>22,365,685</u>	<u>15,813,311</u>
Capital and reserves			
Called up share capital	<i>16</i>	4,508,325	4,508,325
Profit and loss account	<i>17</i>	<u>17,857,360</u>	<u>11,304,986</u>
Equity shareholders' funds		<u>22,365,685</u>	<u>15,813,311</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24th March 2014



J G Hepburn
Director

The notes on pages 11 to 20 form part of these financial statements

Notes to the Financial Statements

at 30 June 2013

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 Catalent Pharma Inc, 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

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

Notes to the Financial Statements

at 30 June 2013

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.

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 Company'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.

	2013 Year to 30 June £	2012 Period to 30 June £
Analysis by geographical market.		
United Kingdom	6,201,971	6,655,341
Rest of Europe	33,299,963	19,940,283
Rest of World	18,100,326	12,154,533
	57,602,260	38,750,157

Notes to the Financial Statements

at 30 June 2013

3. Operating Expenses

	2013 Year to 30 June £	Restated 2012 Period to 30 June £
Marketing and distribution	829	41,833
Contract Services	724,507	858,940
Computer Expenses	21,861	252,181
Administrative expenses		
- Administrative expenses	8,373,349	3,945,042
- Management Fee	7,832,935	2,708,168
	<u>16,953,481</u>	<u>7,806,164</u>

Administration expenses have been restated to reflect the change in indirect labour, depreciation and travel costs, following a review of the methodology used to split costs between cost of sales and operating expenses

4. Exceptional items

	2013 Year to 30 June £	2012 Period to 30 June £
Profit on sale of Intangibles	-	-
Cost of closing Riccarton and Livingston sites	-	-
Gain on sale of assets and operations:		
- Riccarton & Livingston sites	-	(742,250)
- Oxford site	-	(9,312,669)
Waiver of intercompany receivable	-	4,626,736
	<u>-</u>	<u>(5,428,183)</u>

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 June 2012 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 2013

5. Operating profit

	2013 Year to 30 June £	2012 Period to 30 June £
This is stated after charging / (crediting):		
Depreciation (note 10)	1,195,033	1,369,234
Loss on disposal of tangible fixed assets	-	-
Operating lease rentals - buildings	472,169	355,398
Operating lease rentals - other	6,699	34,500
Auditor's remuneration - audit services	99,000	130,000
Auditor's remuneration - taxation	49,340	-
Foreign Exchange gain	(424,441)	(904,447)

6. Directors' emoluments

	2013 Year to 30 June £	2012 Period to 30 June £
Emoluments	294,618	163,232
Company contributions paid to defined contribution pension schemes	14,813	10,648
The Directors emoluments for one Director were paid by the company		

A management charge of £7,832,935 (2012 £2,708,168) in respect of administration costs has been made by Catalent Pharma Solutions Inc, the company's ultimate parent undertaking, which includes directors' remuneration for 3 of the company's directors that is not possible to identify separately

	2012 No.	2011 No.
Members of defined contribution pension schemes	1	1
The number of directors to whom share options were granted over Aptuit Inc shares was as follows		
	2012 No.	2011 No.
Options granted	-	-

The remuneration of the highest paid director was £309,431 including £14,813 company contributions paid to a defined contribution pension scheme

Notes to the Financial Statements

at 30 June 2013

7 Staff costs

	2013	2012
	Year to 30	Period to
	June	30 June
	£	£
Wages and salaries	7,723,783	7,458,892
Social security costs	660,367	889,055
Other pension costs	334,976	369,803
Bonuses and commission	28,146	170,355
Other Benefits	190,492	239,349
	8,937,764	9,127,454

“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

	2013	2012
	No	No
Directors	1	1
Management and administration	131	127
Production	234	272
	366	400

Notes to the Financial Statements

at 30 June 2013

8. Net interest payable

	2013 Year to 30 June £	2012 Period to 30 June £
Interest payable on bank loans and overdrafts	-	(285,905)
Interest payable on loans from group companies	-	(243,348)
Interest expense on finance leases	-	(6,344)
Interest payable to trade creditors	(148)	-
Interest payable	(148)	(535,597)

9. Tax

(a) Tax on profit on ordinary activities

	Year to 30 June 2013 £	Period to 30 June 2012 £
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 23.50% (2012: 25.33%). The differences are reconciled below

	Year to 30 June 2013 £	Period to 30 June 2012 £
Profit on ordinary activities	6,552,374	11,992,595
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.50% (2012: 25.33%)	1,539,808	3,037,724
Expenses not deductible for tax	91,905	1,171,952
Non taxable income	-	(2,546,911)
Depreciation in excess of capital allowances	32,276	343,768
Utilisation of unrecognised tax losses	(994,501)	(2,006,534)
Group relief for nil payment	(669,488)	-
Total current tax	-	-

Notes to the Financial Statements

at 30 June 2013

9 Tax (continued)

(c) Factors affecting future tax charge

The Finance Act 2013 introduced a reduction in the UK Corporation Tax rate to 21% from 1 April 2014. The reduction in the rate to 21% was substantively enacted on 17 July 2013. As 23% is the rate in force on the balance sheet date, this is the rate which should be used for deferred tax purposes.

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 accelerated capital allowances of £1,769,000 and other timing differences of £600,000 on which deferred tax has not been recognised.

10. Tangible fixed assets

	Freehold Land & Buildings	Plant & machinery	Fixtures & fittings	Total
	£	£	£	£
Cost:				
At 1 July 2012	13,018,718	4,692,086	2,592,837	20,303,641
Additions	231,833	97,354	840,332	1,169,519
At 30 June 2013	13,250,551	4,789,440	3,433,169	21,473,160
Depreciation:				
At 1 July 2012	4,444,732	4,264,009	2,335,114	11,043,855
Provided during period	735,029	227,068	232,936	1,195,033
At 30 June 2013	5,179,761	4,491,077	2,568,050	12,238,888
Net book value:				
At 30 June 2013	8,070,790	298,363	865,119	9,234,272
At 30 June 2012	8,573,986	428,077	257,723	9,259,786

The net book value held under finance leases was £nil (2012: £nil). Depreciation charged in the period on these assets amounted to £nil (2012: £8,113).

Notes to the Financial Statements

at 30 June 2013

11 Debtors

	2013 £	2012 £
Amounts receivable within one year		
Trade debtors	12,548,940	12,345,091
Amounts owed by group undertakings	8,728,220	2,468,752
Amounts recoverable on contracts	2,006,204	2,488,342
Prepayments and accrued income	188,281	96,489
VAT Recoverable	729,713	149,197
Other debtors	398,232	360,049
	24,599,590	17,907,920

12. Creditors: amounts falling due within one year

	2013 £	2012 £
Trade creditors	3,079,941	2,484,297
Taxation and Social Security	209,230	-
Amounts owed to group undertakings	7,177,553	6,235,615
Payments on account	1,350,853	1,940,454
Accruals and deferred income	5,348,119	3,861,700
	17,165,696	14,522,066

13. Creditors: amounts falling due within one year

	2013 £	2012 £
Accruals and deferred income	116,675	116,675

14. Obligations under leases and hire purchase contracts

Annual commitments under non-cancellable operating leases are as follows

	Land and Buildings		Other	
	2013 £	2012 £	2013 £	2012 £
Operating leases which expire				
Within one year	191,250	-	-	40,190
In two to five years	-	255,000	488	14,176
In over five years	210,000	210,000	-	-
	401,250	465,000	488	54,366

The company did not have any finance leases

Notes to the Financial Statements

at 30 June 2013

15 Provisions for liabilities and charges

Deferred tax

	2013 Provided	2013 Unprovided	2012 Provided	2012 Unprovided
	£	£	£	£
Deferred tax liability / (asset)				
Accelerated capital allowances	-	(407,055)	-	(991,208)
Short term timing difference	-	(138,106)	-	(70,990)
Tax losses	-	-	-	(1,231,445)
	<u>-</u>	<u>(545,161)</u>	<u>-</u>	<u>(2,293,643)</u>

16. Share capital

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

Authorised, Allotted and fully paid	2013 £	2012 £
At 1 July	4,508,325	30,000,100
Bonus issue of 8,508,225 shares	-	8,508,225
Capital reduction	-	(34,000,000)
At 30 June	<u>4,508,325</u>	<u>4,508,325</u>

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.

Notes to the Financial Statements

at 30 June 2013

17. Reconciliation of shareholders' funds and movements on reserves

	Share capital	Capital contribution reserve	Profit and loss account	Total
	£	£	£	£
At 1 July 2012	4,508,325	-	11,304,986	15,813,311
Profit for the period	-	-	6,552,374	6,552,374
At 30 June 2013	<u>4,508,325</u>	<u>-</u>	<u>17,857,360</u>	<u>22,365,685</u>

19. 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 were supported by an Escrow arrangement, which was settled on 19th July 2013. As a result of this settlement, there are no contingent liabilities to report as at 30 June 2013.

20. 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 £334,976 (2012 £369,803).

At the balance sheet date outstanding contributions amounted to £61,045 (2012 £59,748).

21. Commitments

The company had no contracted capital expenditure at 30 June 2013 (2012 £Nil).

22. 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.

23. Ultimate parent undertaking

The ultimate parent undertaking is Catalent 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 Inc can be obtained from Catalent Pharma Solutions, 14 Schoolhouse Road, Somerset, NJ 08873.