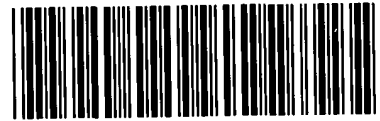


Company Registration No. 08242591 (England and Wales)

OXFORD PHARMAGENESIS HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016

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13/04/2017

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COMPANIES HOUSE

 **shawgibbs**
accountants & business advisers
Incorporating Cooper Murray

OXFORD PHARMAGENESIS HOLDINGS LIMITED

COMPANY INFORMATION

Directors

G A Shelton
C C Winchester
J Costigan
N T Hayes
A Hillman
A Sheridan
C J Thomas
R White

Company number

08242591

Registered office

Tubney Warren Barn
Tubney
Abingdon
Oxfordshire
OX13 5QJ

Auditor

Shaw Gibbs Limited
264 Banbury Road
Oxford
OX2 7DY

OXFORD PHARMAGENESIS HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 OCTOBER 2016

The directors present the strategic report and financial statements for the year ended 31 October 2016.

Review of business

Founded in 1998, Oxford PharmaGenesis is proud to be an independently owned consultancy in a sector increasingly populated by corporate communications conglomerates. The company's principal activity is the provision of HealthScience communications services primarily to the global pharmaceutical industry. By applying our core skill of high-quality communications to support clients in increasingly diverse areas, we continue to grow organically through repeat business and personal recommendation. During the financial year, we launched our new Patient Engagement Practice, which is already delivering value to our clients, our business and ultimately to patients around the world.

Oxford PharmaGenesis is a preferred supplier to 8 of the top 10 global pharmaceutical companies, and also counts small and mid-size pharmaceutical and biotechnology companies, device and diagnostics companies, nutrition companies, professional societies, patient groups and academic institutions among its clients. We have offices in Oxford, London, Basel and Philadelphia and, during the financial year, established a new office in Cardiff, which was opened by the First Minister of Wales, Carwyn Jones AM. In July 2016, Oxford PharmaGenesis won the Communiqué award for Excellence in Corporate Social Responsibility, for a research project published in *BMJ Open* that demonstrated the value our industry adds to evidence-based medicine (Gattrell WT *et al. BMJ Open* 2016;6:e010329.)

In the financial year ending 31 October 2016, the consolidated revenue of Oxford PharmaGenesis Holdings Ltd grew by 10.5% to £17.6 million, with profitability maintained. In June 2016, we purchased premises at our headquarters in Oxford. Our liquidity and cash position remains strong.

Our success is only possible thanks to the ongoing support of our clients, employees and external partners. With their continued engagement, our ambition is to be the leading independent company in our sector, helping our clients to bring evidence-based treatments to patients in areas of unmet medical need.

Principal risks and uncertainties

Despite ongoing challenges in the pharmaceutical sector, the outlook for Oxford PharmaGenesis remains positive. The biggest risk to Oxford PharmaGenesis is losing a major client, for example as a result of sector mergers and acquisition activity and/or a client rationalizing its supplier base. However this can also be an opportunity as illustrated in the year when one of our largest clients completed a major merger but as a result of our strong heritage and client relationships, Oxford PharmaGenesis emerged from the consequent internal reorganization with an increased level of business. We have been appointed to 2 new preferred supplier lists, and all existing preferred supplier relationships have been retained. As a result of our highly diversified client base, no client is responsible for an unduly high percentage of our revenue. We are also diversified within our clients' organizations, with our several specialist practices enabling us to provide services to a wide range of our clients' departments and functions.

Another important risk is loss of skilled employees. The new competitive benefits package we introduced in the UK following a benefits review was very positively received, supporting our ambition of being employer of choice in our sector.

The implications of the future exit of the United Kingdom from the European Union (EU) are not yet clear. Oxford PharmaGenesis is well placed to make the most of the opportunities and manage the risks, as it has offices in its two largest markets, Switzerland and the USA, whilst domestic sales are little changed. The USA has continued to grow and now accounts for 23% of group revenues.

Development and performance

We plan to support continued growth by opening additional offices in the UK and elsewhere in accordance with client and business need. We also intend to continue to strengthen our balance sheet in line with business need.

OXFORD PHARMAGENESIS HOLDINGS LIMITED

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OXFORD PHARMAGENESIS HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

Financial Risk Management Objectives and Policies

The Board regularly reviews the financial requirements of the company and the associated risks. We hold currency reserves in multiple currencies. Details of the group's financial risk management objectives and policies are included in note 20 to the accounts.

On behalf of the board



C.C. Winchester

Director

07/04/2017

OXFORD PHARMAGENESIS HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2016

The directors present their annual report and financial statements for the year ended 31 October 2016.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

G A Shelton
C C Winchester
J Costigan
N T Hayes
A Hillman
A Sheridan
C J Thomas
R White



Donations

During the year the group made the following payments:

	2016	2015
	£	£
Charitable donations	9,896	3,858

Auditor

Shaw Gibbs Limited are deemed to be re-appointed under section 487 (2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

OXFORD PHARMAGENESIS HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

Statement of disclosure to auditor

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 of the company and group is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company and group is aware of that information.

On behalf of the board



C C Winchester

Director

07/04/2017

OXFORD PHARMAGENESIS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OXFORD PHARMAGENESIS HOLDINGS LIMITED

We have audited the financial statements of Oxford Pharmagenesis Holdings Limited for the year ended 31 October 2016 set out on pages 7 to 26. 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 pages 3 - 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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 Strategic Report and Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 October 2016 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

OXFORD PHARMAGENESIS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF OXFORD PHARMAGENESIS HOLDINGS 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Stephen Howard Neal (Senior Statutory Auditor)
for and on behalf of Shaw Gibbs Limited

11 April 2017

Chartered Certified Accountants
Statutory Auditor

OXFORD PHARMAGENESIS HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2016

	Notes	2016 £	2015 £
Revenue	3	17,640,137	15,970,931
Cost of sales		(6,266,736)	(6,632,685)
Gross profit		11,373,401	9,338,246
Distribution costs		(113,656)	(134,435)
Administrative expenses		(7,274,063)	(5,546,630)
Other operating income		-	(344)
Operating profit	4	3,985,682	3,656,837
Investment income	8	10,735	6,003
Finance costs	9	(10,471)	(3,905)
AESOP scheme closure costs		-	(320,000)
Profit before taxation		3,985,946	3,338,935
Taxation	10	(1,025,418)	(674,563)
Profit for the financial year		2,960,528	2,664,372
Other comprehensive income			
Currency translation differences		150,917	(24,855)
Total comprehensive income for the year		3,111,445	2,639,517

Total comprehensive income for the year is all attributable to the owners of the parent company.

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

OXFORD PHARMAGENESIS HOLDINGS LIMITED

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 OCTOBER 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Goodwill	12	1,286,091		1,768,375	
Property, plant and equipment	13	1,685,537		197,649	
		<u>2,971,628</u>		<u>1,966,024</u>	
Current assets					
Trade and other receivables	16	5,909,198	5,624,350		
Cash at bank and in hand		5,388,254	3,622,788		
		<u>11,297,452</u>	<u>9,247,138</u>		
Current liabilities	17	(5,602,232)	(5,101,763)		
Net current assets		<u>5,695,220</u>		<u>4,145,375</u>	
Total assets less current liabilities		<u>8,666,848</u>		<u>6,111,399</u>	
Non-current liabilities	18	(959,140)		(1,515,136)	
Net assets		<u>7,707,708</u>		<u>4,596,263</u>	
Equity					
Called up share capital	22	61,700	61,700		
Retained earnings		7,646,008	4,534,563		
Total equity		<u>7,707,708</u>	<u>4,596,263</u>		

The financial statements were approved by the board of directors and authorised for issue on 07/04/2017 and are signed on its behalf by:



C C Winchester
Director

OXFORD PHARMAGENESIS HOLDINGS LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 OCTOBER 2016

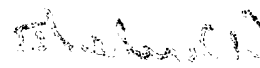
	Notes	2016 £	£	2015 £	£
Fixed assets					
Investments	14		6,471,552		6,471,552
Current assets					
Cash at bank and in hand		28,908		28,938	
Current liabilities	17	(192,705)		(734,304)	
Net current liabilities			(163,797)		(705,366)
Total assets less current liabilities			6,307,755		5,766,186
Non-current liabilities	18		(5,506,118)		(4,964,519)
Net assets			801,637		801,667
Equity					
Called up share capital	22		61,700		61,700
Retained earnings			739,937		739,967
Total equity			801,637		801,667

The financial statements were approved by the board of directors and authorised for issue on 07/04/2017 and are signed on its behalf by:



C C Winchester
Director

Company Registration No. 08242591



OXFORD PHARMAGENESIS HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2016

	Notes	Share capital £	Retained earnings £	Total £
Balance at 1 November 2014		61,700	1,905,046	1,966,746
Year ended 31 October 2015:				
Profit for the year		-	2,664,372	2,664,372
Other comprehensive income:				
Currency translation differences on overseas subsidiaries		-	(24,855)	(24,855)
Total comprehensive income for the year		-	2,639,517	2,639,517
Dividends	11	-	(10,000)	(10,000)
Balance at 31 October 2015		61,700	4,534,563	4,596,263
Year ended 31 October 2016:				
Profit for the year		-	2,960,528	2,960,528
Other comprehensive income:				
Currency translation differences on overseas subsidiaries		-	150,917	150,917
Total comprehensive income for the year		-	3,111,445	3,111,445
Balance at 31 October 2016		61,700	7,646,008	7,707,708

OXFORD PHARMAGENESIS HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2016

	Notes	Share capital £	Retained earnings £	Total £
Balance at 1 November 2014		61,700	330	62,030
Year ended 31 October 2015:				
Profit and total comprehensive income for the year		-	749,637	749,637
Dividends	11	-	(10,000)	(10,000)
Balance at 31 October 2015		61,700	739,967	801,667
Year ended 31 October 2016:				
Loss and total comprehensive income for the year		-	(30)	(30)
Balance at 31 October 2016		61,700	739,937	801,637

OXFORD PHARMAGENESIS HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations	25	5,453,534		4,175,433	
Interest paid		(10,471)		(3,905)	
Income taxes paid		(1,225,054)		(475,767)	
Net cash inflow from operating activities		4,218,009		3,695,761	
Investing activities					
Purchase of property, plant and equipment		(1,564,192)		(95,758)	
Proceeds on disposal of property, plant and equipment		1,273		-	
Interest received		10,735		6,003	
Net cash used in investing activities		(1,552,184)		(89,755)	
Financing activities					
Proceeds from borrowings		1,040,000		-	
Repayment of borrowings		(2,076,376)		(1,387,964)	
Payment of finance leases obligations		(5,802)		(8,907)	
Dividends paid to equity shareholders		-		(10,000)	
Net cash used in financing activities		(1,042,178)		(1,406,871)	
Net increase in cash and cash equivalents		1,623,647		2,199,135	
Cash and cash equivalents at beginning of year		3,622,788		1,448,508	
Effect of foreign exchange rates		141,819		(24,855)	
Cash and cash equivalents at end of year		5,388,254		3,622,788	

OXFORD PHARMAGENESIS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2016

1 Accounting policies

Company information

Oxford Pharmagenesis Holdings Limited ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is Tubney Warren Barn, Tubney, Abingdon, Oxfordshire, OX13 5QJ.

The group consists of Oxford Pharmagenesis Holdings Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the group and the currency of the primary economic environment in which the Group operates. Monetary amounts in these financial statements are rounded to the nearest £. Foreign operations are included in accordance with the policies below.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These group and company financial statements for the year ended 31 October 2016 are the first financial statements of Oxford Pharmagenesis Holdings Limited and the group prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements for the preceding period were prepared in accordance with previous UK GAAP. The date of transition to FRS 102 was 1 November 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

The company has taken advantage of the exemption in FRS 102 Section 1.12 (e) and has not disclosed transactions with entities which form part of the group and are 100% owned by either Oxford PharmaGenesis Holdings Limited or Oxford PharmaGenesis Limited.

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's loss for the year was £30 (2015 - £749,637 profit).

1.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies.

All financial statements are made up to 31 October 2016.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

1.3 Revenue

Revenue represents the value of services provided to external customers during the year. Advance billings to external customers are treated as deferred income until the outcome of the project can be assessed with reasonable certainty, at which time it is released to turnover to reflect the proportion of work completed.

OXFORD PHARMAGENESIS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

1 Accounting policies

(Continued)

1.4 Intangible fixed assets - goodwill

Goodwill arising on the acquisition of the subsidiary undertakings and businesses, representing any excess of the fair value of the consideration over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its economic life of six years. Provision is made for any impairment at the time that it is identified.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - 6 years

1.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	50 years straight line
Leasehold Improvements	18% straight line
Plant and machinery	25% straight line
Fixtures, fittings & equipment	10%-33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.6 Non-current investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

OXFORD PHARMAGENESIS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

1 Accounting policies

(Continued)

1.8 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.9 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the Company's accounts. Deferred tax is provided in full on material timing differences which result in obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is a no commitment to sell the asset. Deferred tax assets are not recognised in the financial statements.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

OXFORD PHARMAGENESIS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

1 Accounting policies

(Continued)

1.13 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.15 Foreign exchange Company

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are taken to the statement of comprehensive income. Exchange differences arising on non-monetary items, carried at fair value, are included in the statement of comprehensive income, except for the differences arising on the retranslation of non-monetary items in respect of which gains and losses are recorded in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

Group

For the purposes of preparing consolidated financial statements, the assets and liabilities of foreign subsidiary undertakings are translated at the exchange rates ruling at the balance sheet date. Statement of comprehensive income items are translated at the average exchange rates for the year, unless exchange rates fluctuated significantly in the year, in which case the exchange rates ruling at the dates of the transactions are used. Exchange differences arising are taken to the Group's retained earnings.

OXFORD PHARMAGENESIS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Revenue

An analysis of the group's revenue is as follows:

	2016 £	2015 £
Revenue from principal activity	17,640,137	15,970,931

Other significant revenue

Interest income	10,735	6,003
-----------------	--------	-------

Revenue analysed by geographical market

	2016 £	2015 £
United Kingdom	6,476,086	3,197,675
Overseas	11,164,051	12,773,256
	17,640,137	15,970,931

4 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(336,808)	(123,537)
Depreciation of owned property, plant and equipment	84,129	49,503
Depreciation of property, plant and equipment held under finance leases	-	(3,472)
Amortisation of intangible assets	482,284	482,284
Operating lease charges	286,741	328,688

OXFORD PHARMAGENESIS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

5 Auditor's remuneration

	2016	2015
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	6,000	5,000
Audit of the company's subsidiaries	17,000	10,000
	<u>23,000</u>	<u>15,000</u>

6 Employees

The average monthly number of persons (including directors) employed by the group during the year was:

	2016	2015
	Number	Number
Client delivery service	130	112
Support, management services	22	19
	<u>152</u>	<u>131</u>

Their aggregate remuneration comprised:

	2016	2015
	£	£
Wages and salaries	9,553,562	7,578,748
Social security costs	643,553	572,582
Pension costs	306,738	163,613
	<u>10,503,853</u>	<u>8,314,943</u>

7 Directors' remuneration

	2016	2015
	£	£
Remuneration for qualifying services	745,582	763,434
Company pension contributions	34,549	17,885
	<u>780,131</u>	<u>781,319</u>

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 7 (2015 - 7).

OXFORD PHARMAGENESIS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

7 Directors' remuneration (Continued)

Remuneration disclosed above includes the following amounts paid to the highest paid director:

Remuneration for qualifying services	183,042	165,694
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8 Investment income

	2016 £	2015 £
Interest income		
Interest on bank deposits	10,735	6,003

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	10,735	6,003
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9 Finance costs

	2016 £	2015 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	10,471	3,905

10 Taxation

	2016 £	2015 £
UK corporation tax on profits for the current period	1,025,418	674,563

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Profit before taxation	3,985,946	3,338,935
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.40%)	797,189	681,143
Tax effect of expenses that are not deductible in determining taxable profit	2,437	1,846
Tax effect of income not taxable in determining taxable profit	-	(61,609)
Permanent capital allowances in excess of depreciation	135	(1,632)
Amortisation on assets not qualifying for tax allowances	96,457	-
Effect of overseas tax rates	129,200	54,815
Tax expense for the year	1,025,418	674,563

OXFORD PHARMAGENESIS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2016

11 Dividends

	2016 £	2015 £
Final paid	-	10,000

12 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 November 2015 and 31 October 2016	2,893,705
Amortisation and impairment	
At 1 November 2015	1,125,330
Amortisation charged for the year	482,284
At 31 October 2016	1,607,614
Carrying amount	
At 31 October 2016	1,286,091
At 31 October 2015	1,768,375

The company had no intangible fixed assets at 31 October 2016 or 31 October 2015.

OXFORD PHARMAGENESIS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

13 Property, plant and equipment

Group	Land and buildings Freehold	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£	£
Cost					
At 1 November 2015	-	108,115	127,105	117,275	352,495
Additions	1,454,250	19,299	58,780	31,863	1,564,192
Disposals	-	(254)	(2,138)	-	(2,392)
Transfers	68,771	(68,771)	-	-	-
Exchange adjustments	-	-	-	21,808	21,808
At 31 October 2016	1,523,021	58,389	183,747	170,946	1,936,103
Depreciation and impairment					
At 1 November 2015	-	33,523	82,604	38,719	154,846
Depreciation charged in the year	9,498	20,454	33,019	21,158	84,129
Eliminated in respect of disposals	-	(254)	(865)	-	(1,119)
Transfers	24,321	(24,321)	-	-	-
Exchange adjustments	-	-	-	12,710	12,710
At 31 October 2016	33,819	29,402	114,758	72,587	250,566
Carrying amount					
At 31 October 2016	1,489,202	28,987	68,989	98,359	1,685,537
At 31 October 2015	-	74,592	44,501	78,556	197,649

The company had no property, plant and equipment assets at 31 October 2016 or 31 October 2015.

14 Fixed asset investments

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Investments in subsidiaries	15	-	-	6,471,552	6,471,552

OXFORD PHARMAGENESIS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

15 Subsidiaries

Details of the company's subsidiaries at 31 October 2016 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% Held Direct Indirect	
Oxford PharmaGenesis Limited	United Kingdom	Provision of HealthScience communications services	Ordinary	100.00	
Oxford PharmaGenesis Inc	United States of America	Provision of HealthScience communications services	Ordinary		100.00
Oxford PharmaGenesis AG	Switzerland	Provision of HealthScience communications services	Ordinary		100.00

16 Trade and other receivables

	Group 2016 £	2015 £	Company 2016 £	2015 £
Amounts falling due within one year:				
Trade receivables	5,263,395	5,082,714	-	-
Corporation tax recoverable	122,857	-	-	-
Other receivables	161,885	67,896	-	-
Prepayments and accrued income	361,061	473,740	-	-
	<u>5,909,198</u>	<u>5,624,350</u>	<u>-</u>	<u>-</u>

The carrying amount of financial assets comprising trade receivables, other receivables, amounts due from parent and subsidiary undertakings, and cash at bank and in hand measured at amortised cost totals group: £10,813,532 (2015: £5,150,610), company: £28,908 (2015: £nil).

17 Current liabilities

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Obligations under finance leases		2,396	6,293	-	-
Other borrowings	19	252,019	734,304	192,705	734,304
Trade payables		442,176	556,913	-	-
Corporation tax payable		304,697	381,476	-	-
Other taxation and social security		193,516	351,511	-	-
Other payables		277,351	68,900	-	-
Accruals and deferred income		4,130,077	3,002,366	-	-
		<u>5,602,232</u>	<u>5,101,763</u>	<u>192,705</u>	<u>734,304</u>

The carrying amount of financial liabilities comprising bank loan, trade payables and other payables measured at amortised cost totals group: £971,546 (2015: £1,360,117), company: £192,705 (2015: £734,304).

OXFORD PHARMAGENESIS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

18 Non-current liabilities

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Obligations under finance leases		-	1,905	-	-
Other borrowings	19	959,140	1,513,231	-	1,513,231
Amounts due to group undertakings		-	-	5,506,118	3,451,288
		<u>959,140</u>	<u>1,515,136</u>	<u>5,506,118</u>	<u>4,964,519</u>

The carrying amount of financial liabilities comprising bank loan trade payables and other payables measured at amortised cost totals group: £959,140 (2015: £1,513,231), company: £5,506,118 (2015: £4,964,519).

19 Borrowings

During the year, the company took out a mortgage from Barclays Bank plc. The loan is repayable over 15 years and incurs interest charge at Bank of England rate. Barclays Bank plc holds a fixed charge over the freehold property at Tubney Warren Barn, Tubney, Oxford, Oxfordshire, OX13 5QJ.

Oxford PharmaGenesis Holdings Limited borrowings are secured on Oxford PharmaGenesis Limited assets.

Included within bank loans creditors falling due after more than one year is an amount of £707,319 (2015: £Nil) for the group, £nil (2015: £nil) for the company in respect of liabilities which fall due for payment after more than five years from the balance sheet date.

OXFORD PHARMAGENESIS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

20 Financial risk management

The group holds or issues financial instruments in order to achieve three main objectives, being:

(a) to finance its operations;

(b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and

(c) for trading purposes

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the group's operations.

Transactions in financial instruments result in the group assuming or transferring to another party one or more of the financial risks described below.

Interest rate risk

The group's exposure to interest rates on financial assets and liabilities are detailed in the liquidity risk management section of this note.

Credit risk

The group monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cashflows.

21 Retirement benefit schemes

	2016	2015
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	306,738	163,613

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

At the year end amounts payable to the pension scheme totalled £59,643 (2015: £33,148).

OXFORD PHARMAGENESIS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

22 Share capital

	Group and company	
	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
59,000 Ordinary of £1 each	59,000	59,000
2,700 Ordinary A of £1 each	2,700	2,700
	<u>61,700</u>	<u>61,700</u>

As at the year end, the company has granted 2,250 share options to employees. The options outstanding at the year end have an exercise price between £14.36 - £93.23 and a remaining life of 8 -10 years. No share options were exercised during the year. The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The fair value of employee share options was measured using a recognised option pricing model. Total fair values have been recognised, however full disclosure is not required in the financial statements on the materiality basis.

23 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Within one year	391,200	585,430	-	-
Between two and five years	751,726	1,578,058	-	-
	<u>1,142,926</u>	<u>2,163,488</u>	<u>-</u>	<u>-</u>

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel and directors is as follows.

	2016	2015
	£	£
Directors	780,131	781,319
Key management personnel	693,134	573,808
	<u>1,473,265</u>	<u>1,355,127</u>

No guarantees have been given or received.

OXFORD PHARMAGENESIS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

24 Related party transactions

(Continued)

Group and Company

During the year the company paid rental amounts totaling £56,544 (2015: £56,544) to Northmoor Enterprises, a partnership in which a director is a partner. At the year end £7,853 was prepaid to Northmoor Enterprises.

During the year the company paid fees of £54,073 (2015: £37,019) to Everyday People Consulting Limited, a company where a director is also a director. At the year end, £nil (2015: £4,629) was owed to Everyday People Consulting Limited with respect to outstanding fees.

The group has taken advantage of the exemption in FRS 102 Section 1.12 (e) and has not disclosed transactions with group companies on the grounds that consolidated financial statements are prepared.

25 Cash generated from group operations

	2016 £	2015 £
Profit for the year after tax	2,960,528	2,664,372
Adjustments for:		
Taxation charged	1,025,418	674,563
Finance costs	10,471	3,905
Investment income	(10,735)	(6,003)
Amortisation and impairment of intangible assets	482,284	482,284
Depreciation and impairment of property, plant and equipment	84,129	52,975
Equity settled share based payment expense	59,569	-
Movements in working capital:		
(Increase) in trade and other receivables	(161,991)	(1,417,175)
Increase in trade and other payables	1,003,861	1,720,512
Cash generated from operations	5,453,534	4,175,433