

Strategic Report, Directors' Report and

Financial Statements

for the Year Ended 30 June 2016

for

Catalent CTS UK Holding Limited



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for the Year Ended 30 June 2016

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Catalent CTS UK Holding Limited

Company Information
for the Year Ended 30 June 2016

DIRECTORS:

W Joseph (appointed 20 October 2015)
S Cryer (appointed 14 December 2015)
A Robinson
G Hepburn (resigned 28 September 2015)
S Houlton (resigned 14 December 2015)

SECRETARY:

S Cryer

REGISTERED OFFICE:

Frankland Road
Blagrove
Swindon
Wiltshire,
England
SN5 8YG

REGISTERED NUMBER:

08338521 (England and Wales)

AUDITORS:

Ernst & Young LLP
10 George Street
Edinburgh
EH2 2DZ

Strategic Report
for the Year Ended 30 June 2016

The Directors present their strategic report for the year ended 30 June 2016.

Results and dividends

The loss for the year ended 30 June 2016 for the Company, after taxation, amounted to £9,186,652 (2015: £29,726,213). The Directors do not recommend a dividend for the period. (2015: £ nil).

Review of the business

The Company operates as an investment holding Company. Its key investment is in the trading Company Catalent CTS (Edinburgh) Limited, whose principal activity is that of contract packaging and distribution of clinical trial drug materials.

Principal risks and uncertainties

In its role as a parent undertaking the major risk and uncertainty is in the ability of its subsidiaries to continue to make dividend payments. Despite the downturn in the worldwide economy it is not anticipated that this will happen.

Transition to FRS 102

During the year the Company transitioned from previously extant United Kingdom Generally Accepted Accounting Practice to Financial Reporting Standard 102 ("FRS 102"). An explanation of how the transition to FRS 102 affected the reported financial position and financial performance is given in note 18.

ON BEHALF OF THE BOARD:



.....
A Robinson - Director

Date: 23-MAR-2017.....

Directors' Report
for the Year Ended 30 June 2016

The Directors present their report with the financial statements of the company for the year ended 30 June 2016.

Principal activity

The principal activity of the Company is an investment holding Company.

RESULTS AND DIVIDENDS

The loss for year ended 30 June 2016 for the Company after taxation amounted to £9,186,652 (2015 £29,726,213).

The Directors do not recommend a dividend for the period (2015 £Nil)

DIRECTORS

The Directors who held office during the period were as follows:

A Robinson
G Hepburn
S Houlton
W Joseph
S Cryer

None of the Directors in office during the year held any beneficiary interests in the share capital of the Company during the year

GOING CONCERN

The financial statements have been prepared under the going concern basis; notwithstanding the Company has net current liabilities. The Directors believe this basis to be appropriate as the parent Company has provided the Company with an undertaking that for at least a year from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company to allow it to continue in operational existence and to meet its liabilities as they fall due for payment. It has further undertaken that it will act to ensure that repayment is not sought for at least a year from the date of signature of these financial statements of any amounts made available to the Company by fellow group undertakings. As with any Company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Based on this undertaking the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from this basis of preparation being inappropriate.

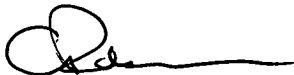
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

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

ON BEHALF OF THE BOARD:



.....
A Robinson - Director

Date: 23 MAR - 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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 company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of
Catalent CTS UK Holding Limited

We have audited the financial statements of Catalent CTS UK Holding Limited for the year ended 30 June 2016 comprising Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and notes 1 to 18. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 the 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 Statement of Directors' Responsibilities set out on page 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 the 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 Company's affairs as at 30 June 2016 and of its loss 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.

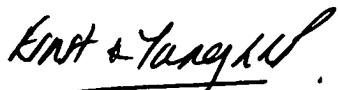
Opinion on other matter prescribed by the Companies Act 2006

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.

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.



Stephen Reid (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
Statutory Auditors
Edinburgh

Date: 31 MARCH 2017

Income Statement
for the Year Ended 30 June 2016

	Notes	2016 £	2015 £
TURNOVER		-	-
Administrative expenses		<u>(2,455)</u>	<u>-</u>
OPERATING LOSS	5	(2,455)	-
Amounts written off investments	6	<u>-</u>	<u>20,000,000</u>
		(2,455)	(20,000,000)
Interest payable and similar charges	7	<u>(9,184,197)</u>	<u>(9,726,213)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(9,186,652)	(29,726,213)
Tax on loss on ordinary activities	8	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u>(9,186,652)</u>	<u>(29,726,213)</u>

Other Comprehensive Income
for the Year Ended 30 June 2016

	Notes	2016 £	2015 £
LOSS FOR THE YEAR		(9,186,652)	(29,726,213)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(9,186,652)</u>	<u>(29,726,213)</u>

Balance Sheet
30 June 2016

	Notes	2016	2015
		£	£
FIXED ASSET INVESTMENTS	9	135,000,000	135,000,000
CURRENT ASSETS			
Debtors	10	2	2
CREDITORS			
Amounts falling due within one year	11	<u>(14,987,322)</u>	<u>(7,645,932)</u>
NET CURRENT LIABILITIES		<u>(14,987,320)</u>	<u>(7,645,930)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		120,012,680	127,354,070
CREDITORS			
Amounts falling due after more than one year	13	<u>(147,567,187)</u>	<u>(160,589,766)</u>
NET LIABILITIES		<u><u>(27,554,507)</u></u>	<u><u>(33,235,696)</u></u>
CAPITAL AND RESERVES			
Called up share capital	14	2	2
Other reserves	15	48,349,550	33,481,709
Retained earnings	15	<u>(75,904,059)</u>	<u>(66,717,407)</u>
SHAREHOLDERS' DEFICIT		<u><u>(27,554,507)</u></u>	<u><u>(33,235,696)</u></u>

The financial statements were approved and authorised for issue by the Board of Directors on

23-MAR-2017 and were signed on its behalf by:



A Robinson - Director

Statement of Changes in Equity
for the Year Ended 30 June 2016

	Called up share capital £	Retained earnings £	Other reserves £	Total equity £
Balance at 1 July 2014	2	(36,991,194)	-	(36,991,192)
Changes in equity				
Total comprehensive income	-	(29,726,213)	-	(29,726,213)
Capital contribution	-	-	33,481,709	33,481,709
Balance at 30 June 2015	<u>2</u>	<u>(66,717,407)</u>	<u>33,481,709</u>	<u>(33,235,696)</u>
Changes in equity				
Total comprehensive income	-	(9,186,652)	-	(9,186,652)
Capital contribution	-	-	14,867,841	14,867,841
Balance at 30 June 2016	<u>2</u>	<u>(75,904,059)</u>	<u>48,349,550</u>	<u>(27,554,507)</u>

Notes to the Financial Statements
for the Year Ended 30 June 2016

1. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. Catalent CTS UK Holding Limited is a limited liability company incorporated in England.

The Registered Office is Frankland Road, Blagrove, Swindon, Wiltshire, England, SN5 8YG

The company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 30 June 2016.

The company transitioned from previously extant UK GAAP to FRS 102 as at 1 July 2014. Details of the transition to FRS 102 are in note 18 to the financial statements.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

The financial statements of Catalent CTS UK Holding Limited were authorised for issue by the Board of Directors on 23rd March 2017.

The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest pound.

Group financial statements

The financial statements present information about the company as an individual undertaking and not about its group. The company has taken advantage of the exemption from preparing consolidated accounts by virtue of section 401 of the Companies Act 2006, as it is a wholly owned subsidiary of Catalent Inc., in which the subsidiary undertaking is included.

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

Going concern

The financial statements have been prepared under the going concern basis; notwithstanding the Company has net current liabilities. The Directors believe this basis to be appropriate as the parent Company has provided the Company with an undertaking that for at least a year from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company to allow it to continue in operational existence and to meet its liabilities as they fall due for payment. It has further undertaken that it will act to ensure that repayment is not sought for at least a year from the date of signature of these financial statements of any amounts made available to the Company by fellow group undertakings.

As with any Company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Based on this undertaking the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from this basis of preparation being inappropriate.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements. As permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" no cash flow statement has been prepared as the Company is a wholly owned subsidiary of Catalent Inc, whose group financial statements includes a consolidated cash flow statement and is publicly available.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2016

2. ACCOUNTING POLICIES - continued

Significant judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities as at the balance sheet date and the amounts reported for income and expenses during the year. These estimates will, by definition, seldom equal the related actual results particularly given changes in economic conditions and the level of uncertainty regarding their duration and severity.

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 and in any future periods affected. The most important estimates and judgements are set out below:

Impairment

The Company is required to carry out impairment testing on any assets that show indications of impairment. This testing involves exercising management judgement about future cash flows and other events which are by their nature uncertain.

Taxation

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

Taxation

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

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

Deferred tax is recognised on timing difference between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing difference. Deferred tax assets are generally recognised for all deductible timing differences to the extent that it is probable that taxable profits will be available against which those deductible timing differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Foreign currencies

Transactions and balances

In preparing the financial statements of the entity, transactions in currencies other than the functional currency of the entity (foreign currencies) are recognised at the spot rate at the dates of the transactions, or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise. However, in the consolidated financial statements exchange differences arising on monetary items that form part of the net investment in a foreign operation are recognised in other comprehensive income and are not reclassified to profit or loss.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2016

2. ACCOUNTING POLICIES - continued

Investments

Investments are stated at cost less provisions for any impairment.

Financial instruments

The company has chosen to adopt the requirements of sections 11 and 12 of FRS102 in respect of the measurement and disclosure of financial instruments.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Interest-bearing loans and borrowings

All interest bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the bank (including interest). After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment. The effective interest rate amortisation is included in finance revenue in the income statement.

The company does not have any 'other' financial instruments.

3. STAFF COSTS

There were no staff costs for the year ended 30 June 2016 nor for the year ended 30 June 2015.

4. DIRECTORS' EMOLUMENTS

The Directors of the Company are also Directors of other group companies. The Directors do not believe that it is practicable to apportion their total remuneration between companies. The amounts are therefore disclosed in full in other group Company's financial statements.

	2016 £	2015 £
Emoluments	<u>196,627</u>	<u>244,478</u>
Company contributions paid to defined contribution pension schemes	<u>11,926</u>	<u>14,933</u>

A management charge of £4,186,367 (2015: £2,990,579) in respect of administration costs has been made by Catalent Inc. to Catalent CTS (Edinburgh) Limited, the Company's subsidiary which includes Directors' remuneration for 2 of the Company's Directors that is not possible to identify separately.

	2016 No.	2015 No.
Members of defined contribution pension schemes	<u>2</u>	<u>1</u>

The remuneration of the highest paid Director was £97,259 (2015 £244,478) including £8,167 (2015 £14,933) of Company contributions paid to a defined contribution pension scheme.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2016

5. OPERATING LOSS

The operating loss is stated after charging:

	2016 £	2015 £
Foreign exchange differences	<u>2,455</u>	<u>-</u>

Fees in respect of the audit of the company are borne by the subsidiary company Catalent CTS (Edinburgh) Limited.

6. AMOUNTS WRITTEN OFF INVESTMENTS

	2016 £	2015 £
Impairment of investment	<u>-</u>	<u>20,000,000</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £	2015 £
Interest payable to group undertakings	<u>9,184,197</u>	<u>9,726,213</u>

8. TAXATION

	2016 £	2015 £
Tax on Profit on Ordinary activities		
UK Corporation Tax:		
Corporation Tax on profit for the period	-	-
Adjustment in respect of prior periods	<u>-</u>	<u>-</u>
Total Current Tax	<u>-</u>	<u>-</u>
Original and reversal of timing differences	-	-
Impact of Change in tax rate	<u>-</u>	<u>-</u>
Total Tax Charge	<u>-</u>	<u>-</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2016 £	2015 £
Loss on ordinary activities before tax	<u>(9,186,652)</u>	<u>(29,726,213)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.750%)	(1,837,330)	(6,168,189)
Effects of:		
Expenses not deductible for tax purposes	1,116,180	1,482,066
Impairment of investment	-	4,150,000
Losses transferred for group relief	<u>721,150</u>	<u>536,123</u>
Total tax charge	<u>-</u>	<u>-</u>

Finance (No. 2) Act 2015, enacted in November 2015, reduced the main rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020. Accordingly this rate has been applied in the measurement of the company's deferred tax assets and liabilities as at 30 June 2016.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2016

9. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 July 2015 and 30 June 2016	<u>178,000,000</u>
IMPAIRMENT	
At 1 July 2015 and 30 June 2016	<u>43,000,000</u>
NET BOOK VALUE	
At 30 June 2016	<u>135,000,000</u>
At 30 June 2015	<u>135,000,000</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Investment	Location	Registered Office	Direct/ Indirect Holding
Catalent CTS (Wales) Ltd	UK	Frankland Road Blagrove, Swindon Wiltshire, England SN5 8YG	100% Direct
Catalent CTS (Edinburgh) Ltd	UK	Frankland Road Blagrove, Swindon Wiltshire, England SN5 8YG	100% Indirect

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Amounts owed by group undertakings	<u>2</u>	<u>2</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Amounts owed to group undertakings	<u>14,987,322</u>	<u>7,645,932</u>

12. DEFERRED TAX

	2016 Provided	2016 Unprovided	2015 Provided	2015 Unprovided
Deferred Tax (Asset)	-	-	-	-
Accelerated Capital Allowances	-	-	-	-
Other Timing Differences	-	(430,529)	-	-
Tax losses	-	(430,529)	-	-

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2016**

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Loans from group undertaking	2016	2015
	£	£
Wholly payable after 5 years: -		
6.2% unsecured loan of £133,500,000 repayable on 31 December 2020	-	133,500,000
Interest free unsecured loan of £44,500,000 repayable on 31 December 2033	14,067,187	13,118,826
Wholly Payable within 5 years		
6.2% unsecured loan of £133,500,000 repayable on 31 December 2020	133,500,000	-
Repayable on demand: -		
3 months Libor rate plus 2.75 basis points. Revolving credit agreement not to exceed aggregate £75,000,000	-	13,970,940
Amounts owed to group undertakings	<u>147,567,187</u>	<u>160,589,766</u>

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2016	2015
			£	£
200	Ordinary	£0.01	<u>2</u>	<u>2</u>

15. RESERVES

Retained earnings - includes all current and prior period retained profits and losses.
A capital contribution of £14,867,841, as a result of forgiving a loan, and £33,481,709 as a result of lower than market rate interest is included within other reserves.

16. ULTIMATE PARENT COMPANY

The ultimate parent undertaking is Catalent Inc, which is incorporated in the United States of America. The Company's immediate parent undertaking is Catalent Inc.
A copy of the consolidated financial statements of Catalent Inc can be obtained from Catalent Pharma Solutions, 14 Schoolhouse Road, Somerset, NJ 08873.

17. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Key management personnel compensation in total for the year was £208,553 (2015: £259,411).

18. FIRST YEAR ADOPTION

This is the first year that the company has presented its results under FRS 102. The last financial statements under UK GAAP were for the year ended 30 June 2015. The date of transition to FRS 102 was 1 July 2014. Set out on pages 16 to 18 are the changes in accounting policies which reconcile profit for the financial year ended 30 June 2015 and the total equity as at 1 July 2014 and 30 June 2015 between UK GAAP as previously reported and FRS 102.

Catalent CTS UK Holding Limited

**Reconciliation of Equity
1 July 2014
(Date of Transition to FRS 102)**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Investments		155,000,000	-	155,000,000
CURRENT ASSETS				
Debtors		2	-	2
CREDITORS				
Amounts falling due within one year		(766,132)	-	(766,132)
NET CURRENT LIABILITIES		(766,130)	-	(766,130)
TOTAL ASSETS LESS CURRENT LIABILITIES		154,233,870	-	154,233,870
CREDITORS				
Amounts falling due after more than one year	1	(190,008,953)	32,265,600	(157,743,353)
NET LIABILITIES		(35,775,083)	32,265,600	(3,509,483)
CAPITAL AND RESERVES				
Called up share capital		2	-	2
Other reserves		-	33,481,709	33,481,709
Retained earnings	1	(35,775,085)	(1,216,109)	(36,991,194)
SHAREHOLDERS' DEFICIT		(35,775,083)	32,265,600	(3,509,483)

Notes to the reconciliation of equity and reconciliation of loss

1) FRS 102 requires financial liabilities to be measured at the present value of future cash flows discounted at a market rate. Previously under UK GAAP the company recognised an interest free loan from group undertakings at cost. On transition to FRS 102 the benefit of the below market rate loan amounting to £33,481,709 has been recognised as a capital contribution in other reserves at inception date. Using the effective interest method an interest charge of £1,216,109 was recognised in respect of this loan for the period from inception to transition. An interest charge was also recognised in the profit and loss account for the year ended 30 June 2015 of £884,426.

Catalent CTS UK Holding Limited

Reconciliation of Equity - continued
30 June 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Investments		135,000,000	-	135,000,000
CURRENT ASSETS				
Debtors		2	-	2
CREDITORS				
Amounts falling due within one year		(7,645,932)	-	(7,645,932)
NET CURRENT LIABILITIES		(7,645,930)	-	(7,645,930)
TOTAL ASSETS LESS CURRENT LIABILITIES		127,354,070	-	127,354,070
CREDITORS				
Amounts falling due after more than one year	1	(191,970,940)	31,381,174	(160,589,766)
NET LIABILITIES		(64,616,870)	31,381,174	(33,235,696)
CAPITAL AND RESERVES				
Called up share capital		2	-	2
Other reserves		-	33,481,709	33,481,709
Retained earnings	1	(64,616,872)	(2,100,535)	(66,717,407)
SHAREHOLDERS' DEFICIT		(64,616,870)	31,381,174	(33,235,696)

Notes to the reconciliation of equity and reconciliation of loss

1) FRS 102 requires financial liabilities to be measured at the present value of future cash flows discounted at a market rate. Previously under UK GAAP the company recognised an interest free loan from group undertakings at cost. On transition to FRS 102 the benefit of the below market rate loan amounting to £33,481,709 has been recognised as a capital contribution in other reserves at inception date. Using the effective interest method an interest charge of £1,216,109 was recognised in respect of this loan for the period from inception to transition. An interest charge was also recognised in the profit and loss account for the year ended 30 June 2015 of £884,426.

Catalent CTS UK Holding Limited

Reconciliation of Loss
for the Year Ended 30 June 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER		-	-	-
OPERATING PROFIT		-	-	-
Amounts written off investments		(20,000,000)	-	(20,000,000)
Interest payable and similar charges		<u>(8,841,787)</u>	<u>(884,426)</u>	<u>(9,726,213)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(28,841,787)	(884,426)	(29,726,213)
Tax on loss on ordinary activities		-	-	-
LOSS FOR THE FINANCIAL YEAR		<u><u>(28,841,787)</u></u>	<u><u>(884,426)</u></u>	<u><u>(29,726,213)</u></u>

Notes to the reconciliation of equity and reconciliation of loss

1) FRS 102 requires financial liabilities to be measured at the present value of future cash flows discounted at a market rate. Previously under UK GAAP the company recognised an interest free loan from group undertakings at cost. On transition to FRS 102 the benefit of the below market rate loan amounting to £33,481,709 has been recognised as a capital contribution in other reserves at inception date. Using the effective interest method an interest charge of £1,216,109 was recognised in respect of this loan for the period from inception to transition. An interest charge was also recognised in the profit and loss account for the year ended 30 June 2015 of £884,426.