

## **Forest Laboratories UK Limited**

Annual report and consolidated financial statements  
for the year ended 31 December 2015

Company Number: 00532832



# Forest Laboratories UK Limited

## Report and financial statements for the year ended 31 December 2015

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### Directors

R Williams  
K Innes

### Registered office

Whiddon Valley, Barnstaple, North Devon, United Kingdom, EX32 8NS

### Company number

00532832

### Independent auditors

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Princess Court, 23 Princess St, Plymouth, PL1 2EX

# Forest Laboratories UK Limited

## Group strategic report for the year ended 31 December 2015

### Review of the business

During the year the company transferred its activities to fellow group companies, receiving income for inventory sold into the wider group, and will no longer receive any income from direct sales of its products. Revenues have declined by 23% largely due to this reconfiguration of the distribution to market and management of contract manufacturing with affiliate companies.

During 2014, the group used financing from affiliate companies to fund trademark acquisitions. This financing was repaid in full in 2015.

The company continues to incur R&D expenses mainly in relation for Clinical trials related to the Colobreathe brand, although at lower levels than seen in previous years when the brand was in launch phase.

Going forward, the company will continue to earn revenues in the form of non-trading income from its intangible assets, which represent trademarks and licences for goods now sold by other group entities. These trademarks and licences are for branded Pharmaceutical products sold in the UK, Europe and Australian markets.

The profit for the year as shown in the profit and loss account is £5,488,788, an increase from the prior period loss of £75,984. The net profit percentage in 2015 has increased to 15.8% up from the 0.2% loss in 2014. The improvement in profitability is derived from the savings in costs associated with the selling and distribution activities provided by fellow group companies.

### Key performance indicators are as follows:

	12 months ended 31 December 2015 £	9 months ended 31 December 2014 £
Turnover	34,778,872	45,029,160
Gross profit	10,546,069	17,583,527
Operating profit	7,167,442	477,838
Interest received	78,266	16,503
Net assets	14,344,055	9,066,827

### Post balance sheet event

On 2 August 2016, Teva Pharmaceutical Industries Limited acquired the worldwide generics business of Allergan Plc. As part of the process to complete the transaction in the UK, regulatory approval was required from the European Commission, which ruled that part of the acquired business must subsequently be divested.

### Principal risk and uncertainties

The directors consider that the key business risks and uncertainties affecting the company relate to competition from other manufacturers and distributors of pharmaceutical products. The company seeks to mitigate this by continual improvement in the product range and supply chain management.

### Financial risk management

The main financial risks arising from the group's activities are credit risk, interest rate risk, liquidity risk and foreign currency risk. These are monitored by the board of directors and were not considered to be significant at the balance sheet date.

Credit risk arises from the group's trade and other receivables. Credit limits for each customer are reviewed annually. Credit checks are made on each new customer and limits set prior to commencing trading. Management review all debtors for impairment on a regular basis and are comfortable that all un-provided debts are fully recoverable.

## Forest Laboratories UK Limited

Group strategic report  
for the year ended 31 December 2015 (*continued*)

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### Financial risk management (continued)

Liquidity risk arises from fluctuations in market related interest rates. In 2014, the group used financing from affiliate companies to fund the increased expenses associated with launching Colobreathe. This loan financing was fully repaid in 2015. Management monitor and manage the recoverability of debtors and agreement of payment terms with creditors closely to ensure positive cash resources are maintained and enhanced. The group manages its cash flow to ensure that sufficient liquid resources are available to meet its operating needs.

Foreign exchange risk arises from the group's export markets which are exposed to fluctuating foreign exchange rates which may impact on the group's sales and profitability. The group does not make use of forex exchange contracts to mitigate foreign currency risk, but maintains foreign denominated bank accounts to help mitigate this risk

By order of the Board



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R Williams - Director

Date: 16 February 2017

# Forest Laboratories UK Limited

## Directors' report for the year ended 31 December 2015

The directors present their report together with the audited consolidated financial statements for the year ended 31 December 2015.

### Principal activities

The principal activity of the Group during the year was generating income from activities related to the intellectual properties for pharmaceutical products, also engaging in the purchase and sale of product licences. Forest Laboratories has one subsidiary, Pharmax Limited. Pharmax Limited is dormant. Going forward, the group's activities will be limited to non-trading income and expenses from the product brand names, trademarks and market authorisations for goods sold by other group entities.

### General

On the 17 March 2015, the group's ultimate parent company, Actavis PLC, acquired Allergan Inc. Actavis subsequently changed its name to Allergan PLC.

### Post balance sheet event

On 2 August 2016 Teva Pharmaceutical Industries Limited acquired the worldwide generics business of Allergan Plc. As part of the process to complete the transaction in the UK, regulatory approval was required from the European Commission, which ruled that part of the acquired business must subsequently be divested.

### Future developments

The directors believe that the company is in a strong position to benefit from the increased market access and product marketing expertise it has gained following acquisition of the company by Teva Pharmaceutical Industries Limited.

### Results and dividends

This is the first year that the group has presented its results under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the nine months ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 April 2014. The transition has affected the financial performance of the group due to the recognition of net interest expense, based upon the net defined benefit liability, rather than an expected return on defined benefit plan assets. See note 21 for details of the transition to FRS 102. A review of the business can be found in the Group Strategic Report.

No dividends were declared or paid in the financial year (prior period: £nil). The directors do not recommend the payment of a final dividend (2014: £nil).

### Change in accounting period

In the prior period the directors changed the group's year end from 31 March 2015 to 31 December 2014 in order to align the financial reporting with the ultimate parent company. Consequently the comparative period in these financial statements is the 9 month period to 31 December 2014.

### Research and development

Research and development is primarily focused on clinical trials and maintaining our current marketing authorisations. All costs relating to this are expensed.

### Charitable and political contributions

During the year the group made charitable contributions of £nil (prior period: £nil). There were no political contributions.



# Forest Laboratories UK Limited

## Directors' report for the year ended 31 December 2015 (*continued*)

### Employee involvement

Members of the management team regularly discuss matters of current interest and concern to the business with members of staff.

### Policy and practice on the payment of creditors

The group aims to pay its suppliers in accordance with their agreed upon terms and conditions. The number of average days purchases of the group represented by trade creditors at 31 December 2015 was 1 day (31 December 2014: 82 days).

### Going concern

The directors believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support of the ultimate parent company, Teva Pharmaceuticals Industries Limited.

The directors have received no evidence or indication from Teva Pharmaceutical Industries Ltd that leads them to doubt that they will continue to operate the company as a going concern for at least a period of 12 months from the date these financial statements were signed.

### Directors

The directors of the Group during the year and up to the signing of these consolidated financial statements, unless otherwise stated, were:

R Williams	(appointed 2 August 2016)
K Innes	(appointed 1 October 2016)
RG Daniell	(appointed 2 August 2016, resigned 1 October 2016)
D Burke	(resigned 30 March 2015)
M McDonald	(resigned 30 March 2015)
S Vincent	(resigned 2 August 2016)
N Jakes	(resigned 2 August 2016)

None of the directors had any interest in the share capital of the group during the year or previous year.

### Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and consolidated financial statements (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 prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

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 the 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" has been followed, subject to any material departures disclosed and explained in the financial statements;

# Forest Laboratories UK Limited

## Directors' report for the year ended 31 December 2015 (*continued*)

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### Statement of directors' responsibilities (*continued*)

- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Disclosure of information to auditors

In accordance with Section 418, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that:

- (a) so far as the director is aware, there is no relevant audit information of which the group's auditors are unaware; and
- (b) he/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Independent auditors

On 29 February 2016 BDO LLP resigned as auditor of the company and were replaced by PricewaterhouseCoopers LLP. PricewaterhouseCoopers LLP have indicated their willingness to continue in office.

By order of the Board



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**R. Williams - Director**

Date: 16 February 2017



# **Forest Laboratories UK Limited**

## **Independent auditors' report to the members of Forest Laboratories UK Limited**

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### **Report on the financial statements**

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#### **Our opinion**

In our opinion, Forest Laboratories UK Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2015 and of the group's profit and cash flows 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.

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#### **What we have audited**

The financial statements, included within the Annual Report and Consolidated Financial Statements (the "Annual Report"), comprise:

- the Consolidated and Company Balance Sheets as at 31 December 2015;
- the Consolidated Profit & Loss Account and the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated Cash Flow Statement for the year then ended;
- the Consolidated and Company Statements of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and applicable law.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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### **Opinion on other matter prescribed by the Companies Act 2006**

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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.

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### **Other matters on which we are required to report by exception**

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#### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

# Forest Laboratories UK Limited

## Independent auditors' report to the members of Forest Laboratories UK Limited (*continued*)

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### Responsibilities for the financial statements and the audit

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#### Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages 4 and 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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#### What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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 group's and 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual 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.



Heather Ancient (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Plymouth

16 February 2017

## Forest Laboratories UK Limited

### Consolidated profit and loss account for the year ended 31 December 2015

	Note	Year Ended 31 December 2015			9 months ended 31 December 2014		
		Continuing operations	Discontinued Operations	Total	Continuing operations (restated)	Discontinued Operations (restated)	Total
		£	£	£	£	£	£
Turnover	4	7,946,781	26,832,091	34,778,872	-	45,029,160	45,029,160
Cost of sales		-	(24,232,803)	(24,232,803)	-	(27,445,633)	(27,445,633)
<b>Gross profit</b>		<b>7,946,781</b>	<b>2,599,288</b>	<b>10,546,069</b>	<b>-</b>	<b>17,583,527</b>	<b>17,583,527</b>
Distribution costs		(118,828)	(169,545)	(288,373)	(790,303)	(7,195,700)	(7,986,003)
Administration (expenses) / income		(3,547,165)	456,911	(3,090,254)	(4,802,800)	(4,316,886)	(9,119,686)
<b>Operating profit / (loss)</b>	5	<b>4,280,788</b>	<b>2,886,654</b>	<b>7,167,442</b>	<b>(5,593,103)</b>	<b>6,070,941</b>	<b>477,838</b>
Interest receivable and similar income	7	78,266	-	78,266	16,503	-	16,503
Interest payable and similar charges	7	(147,730)	-	(147,730)	(209,125)	-	(209,125)
<b>Profit / (loss) on ordinary activities before taxation</b>		<b>4,211,324</b>	<b>2,886,654</b>	<b>7,097,978</b>	<b>(5,785,725)</b>	<b>6,070,941</b>	<b>285,216</b>
Tax on profit / (loss) on ordinary activities	8	(805,909)	(803,281)	(1,609,190)	834,930	(1,196,130)	(361,200)
<b>Profit / (loss) for the financial year / period</b>		<b>3,405,415</b>	<b>2,083,373</b>	<b>5,488,788</b>	<b>(4,950,795)</b>	<b>4,874,411</b>	<b>(75,984)</b>

The Group has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Company profit and loss account. The profit for the Company for the year was £5,488,788 (2014: loss of (£75,984)).

The notes on pages 13 to 28 form part of these financial statements.

## Forest Laboratories UK Limited

### Consolidated statement of comprehensive income for the year ended 31 December 2015

	Note	Year ended 31 December 2015 £	9 months ended 31 December 2014 £
<b>Profit / (loss) for the financial year</b>		<b>5,488,788</b>	<b>(75,984)</b>
<b>Other comprehensive income / (expenses):</b>			
Actual return less expected return on pension scheme assets	15	(9,000)	(9,000)
Change in assumptions underlying the present value of scheme liabilities	15	(249,000)	(1,455,000)
Deferred tax recognised on pension fund timing differences	8	46,440	297,000
<b>Other comprehensive loss for the year</b>		<b>(211,560)</b>	<b>(1,167,000)</b>
<b>Total comprehensive income / (loss) for the year</b>		<b>5,277,288</b>	<b>(1,242,984)</b>

The notes on pages 13 to 28 form part of these financial statements.

# Forest Laboratories UK Limited

## Consolidated and Company Balance Sheets as at 31 December

	Note	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
<b>Fixed assets</b>					
Tangible assets	9	243,769	290,905	243,769	290,905
Intangible assets	10	10,260,844	12,272,044	10,260,844	12,272,044
Investment in subsidiary undertakings	11	-	-	100	100
		<b>10,504,613</b>	<b>12,562,949</b>	<b>10,504,713</b>	<b>12,563,049</b>
<b>Current assets</b>					
Inventories	12	-	20,952,635	-	20,952,635
Debtors	13	15,249,234	12,320,203	15,249,234	12,320,203
Cash at bank and in hand		294,458	788,744	294,458	788,744
		<b>15,543,692</b>	<b>34,061,582</b>	<b>15,543,692</b>	<b>34,061,582</b>
<b>Creditors: amounts falling due within one year</b>	14	<b>(9,565,250)</b>	<b>(34,067,704)</b>	<b>(9,565,350)</b>	<b>(34,067,804)</b>
<b>Net current assets / (liabilities)</b>		<b>5,978,442</b>	<b>(6,122)</b>	<b>5,978,342</b>	<b>(6,222)</b>
<b>Total assets less current liabilities</b>		<b>16,483,055</b>	<b>12,556,827</b>	<b>16,483,055</b>	<b>12,556,827</b>
<b>Provisions for liabilities</b>					
Post-employment benefits	15	(2,139,000)	(3,490,000)	(2,139,000)	(3,490,000)
<b>Net assets</b>		<b>14,344,055</b>	<b>9,066,827</b>	<b>14,344,055</b>	<b>9,066,827</b>
<b>Capital and reserves</b>					
Called-up share capital	16	534,938	534,938	534,938	534,938
Retained earnings		13,809,117	8,531,889	13,809,117	8,531,889
<b>Total shareholders' funds</b>		<b>14,344,055</b>	<b>9,066,827</b>	<b>14,344,055</b>	<b>9,066,827</b>

The notes on pages 13 to 28 form part of these financial statements

The financial statements on pages 8 to 28 were authorised for issue by the board of directors on 16 February 2017 and were signed on its behalf.



Director

Forest Laboratories UK Limited  
Registered No.: 00532832

## Forest Laboratories UK Limited

### Consolidated and company statement of changes in equity for the year ended 31 December 2015

	Note	Called up share capital £	Retained earnings £	Total Shareholders' funds £
Balance as at 1 April 2014		534,938	9,504,376	10,039,314
Loss for the period	21	-	(75,984)	(75,984)
Other comprehensive loss for the period		-	(1,167,000)	(1,167,000)
Total comprehensive loss for the period		-	(1,242,984)	(1,242,984)
Credit related to equity-settled share based payments	17	-	270,497	270,497
Balance as at 31 December 2014		534,938	8,531,889	9,066,827
		Called up share capital £	Retained earnings £	Total Shareholders' funds £
Balance as at 1 January 2015		534,938	8,531,889	9,066,827
Profit for the year		-	5,488,788	5,488,788
Other comprehensive loss for the year		-	(211,560)	(211,560)
Total comprehensive income for the year		-	5,277,228	5,277,228
Balance as at 31 December 2015		534,938	13,809,117	14,344,055

# Forest Laboratories UK Limited

## Consolidated cash flow statement for the year ended 31 December 2015

	Note	2015 £	2014 £
<b>Net cash from operating activities</b>			
Profit from operating activities		7,167,442	477,838
Adjustments for:			
Write off of inventory		1,005,954	-
Waiver of purchase expense		(1,005,954)	-
Tangible fixed asset depreciation	5	47,136	190,059
Intangible asset amortisation	5	2,011,200	1,405,780
Share based payments		-	270,497
Loss on disposal		-	2,431
Pension contributions	15	(1,704,000)	(1,299,000)
(Increase) / decrease in receivables		(3,461,460)	4,824,756
Decrease / (increase) in inventories		19,946,681	(292,205)
(Decrease) / increase in payables		(20,335,491)	3,446,943
Tax paid		-	-
Non-cash items		70,733	85,012
<b>Net cash used in activities</b>		<b>3,742,241</b>	<b>9,112,111</b>
<b>Cash flow from investment activities</b>			
Returns on investments and servicing of finance	7	25,536	(107,622)
Pension finance	15	(95,000)	(85,000)
Net capital proceeds		-	13,716
<b>Net cash generated / (used) in investing activities</b>		<b>(69,464)</b>	<b>(178,906)</b>
<b>Cash flow from financing activities</b>			
Inter-company loan repaid		(4,167,063)	(4,060,000)
<b>Net cash flow from financing activities</b>		<b>(4,167,063)</b>	<b>(4,060,000)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(494,286)</b>	<b>4,873,194</b>
Cash and cash equivalents at the beginning of the year		788,744	(4,084,450)
<b>Cash and cash equivalents at the end of the year</b>		<b>294,458</b>	<b>788,744</b>
<b>Cash and cash equivalents consist of:</b>			
Cash at bank and in hand		294,458	788,744
<b>Cash and cash equivalents</b>		<b>294,458</b>	<b>788,744</b>

# Forest Laboratories UK Limited

## Notes to the financial statements for the year ended 31 December 2015

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### 1 General information

Forest Laboratories UK Limited ("the Company") and its subsidiary, Pharmax Limited (together "the Group") operate in the pharmaceuticals sector. The Group's activity relates to intellectual properties on pharmaceutical products and it is engaged in the purchase and sale of product licences. Pharmax Limited is dormant. The company is a private company limited by shares and is incorporated in England. The address of the registered office is Whiddon Valley, Barnstaple, North Devon, United Kingdom, EX32 8NS.

### 2 Statement of compliance

The Group and Company financial statements of Forest Laboratories UK Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS 102") and the Companies Act 2006.

### 3 Accounting Policies

#### *Basis of preparation of the financial statements*

The financial statements have been prepared on the going concern basis, under the historical cost convention.

#### *Basis of consolidation*

The consolidated financial statements include the financial statements of the Company and its subsidiary, Pharmax Limited, for the year ended 31 December 2015.

The accounting policies outlined below have been uniformly adopted across the Group. All profits/losses on intra group transactions have been eliminated in the consolidated profit and loss accounts.

Under section 408(3) of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account. The Company's individual profit for the financial year is £5,488,788 (9 months to 31 December 2014: loss of £75,984).

#### *Going Concern*

The directors believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support of the parent company, Teva Pharmaceuticals Industries Limited.

The directors have received no evidence or indication from Teva Pharmaceutical Industries Ltd that leads them to doubt that they will continue to operate the company as a going concern for at least a period of 12 months from the date these financial statements were signed.



# Forest Laboratories UK Limited

## Notes to the financial statements for the year ended 31 December 2015

### 3 Accounting policies (continued)

#### *Transition to FRS 102*

As noted in note 2, these financial statements are prepared under FRS 102. These are the first financial statements prepared under this framework. The transition date is 1 April 2014. Management have considered the impact of transition of the Group and Company's profit and loss and opening reserves and details of the significant measurement and recognition adjustments in respect of the comparative balances are outlined in note 21.

#### *Financial reporting standard 102 - reduced disclosure exemptions*

The group has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- preparing a statement of cash flows for the Company, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows;
- the financial instruments disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

#### *Foreign currency*

Foreign currency transactions are translated at the rates ruling when they occurred. Assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Exchange profits and losses are included in the Group's trading results.

#### *Turnover*

Turnover is the amount derived from the provision of goods and services falling within the Group's ordinary activities after deduction of trade discounts and value added tax. Turnover is recognised when the risks and rewards of owning the goods has passed to the customer, which is generally on delivery.

#### *Research and development*

Research and development expenditure is written off in the year in which it is incurred.

#### *Taxation*

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

#### *Current taxation*

Current tax is the amount of income tax payable in respect of the taxable for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates the position taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

# Forest Laboratories UK Limited

## Notes to the financial statements for the year ended 31 December 2015

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### 3 Accounting policies (continued)

#### *Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that:

- deferred tax is not recognised on timing differences arising on re-valued properties unless the group has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the group anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

#### *Share based payments*

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the profit and loss account over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. There are no market based vesting conditions.

#### *Tangible fixed assets and depreciation*

For all tangible fixed assets, depreciation is provided to write off the cost or valuation, less estimated residual values, evenly over their expected useful lives. It is calculated at the following rates:

Plant, machinery, furniture, fixtures and fittings      -      Up to 10 years

#### *Intangible fixed assets and amortisation*

Intangible assets consist of purchased trademarks which are recorded at cost less accumulated amortisation. Amortisation is provided on a straight-line basis over the directors' estimate of the useful economic life of 10 years. Where factors such as technological advancement, commercial factors or changes in market price, indicate that residual value or useful economic life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The carrying value of intangible assets is periodically reviewed for such events or changes in circumstances, which may indicate that the carrying value is not recoverable and provision for impairment made accordingly.

#### *Patents, licences and trade marks*

The normal expenses of maintaining patents, licences and trademarks are charged against the Group's trading results as incurred.

#### *Investment in subsidiary undertakings*

Investment in subsidiary company is held at cost less accumulated impaired losses.



# Forest Laboratories UK Limited

## Notes to the financial statements for the year ended 31 December 2015

### 3 Accounting policies (*continued*)

#### *Stock*

Cost is calculated as follows:

Raw materials and bought in parts	-	Cost of purchase on a first in, first out basis
Finished goods purchased	-	Cost of purchase on a first in, first out basis

#### *Cash and liquid resources*

Cash comprises cash in hand and deposits repayable on demand, less overdrafts.

#### *Pension costs*

The Employer operates a UK registered trust based pension scheme that provides defined benefits for some of its employees. Pension benefits are linked to the members' final pensionable salaries and service at their retirement (or date of leaving if earlier). The Trustees are responsible for running the Scheme in accordance with the Scheme's Trust Deed and Rules, which sets out their powers. The Trustees of the Scheme are required to act in the best interests of the beneficiaries of the Scheme.

There are two categories of pension scheme members:

- Deferred members: members who have defined benefits in the Scheme which are yet to commence; and
- Pensioner members: in receipt of pension.

#### *Leased assets*

All leases are treated as operating leases. Their annual rentals are charged to the profit and loss account.

#### **Critical accounting judgments and estimation uncertainty**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equate the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addresses below.

#### *Trademarks valuation (note 10)*

Intangible assets held represent purchased trademarks and are recorded at cost less accumulated amortisation. Intangible assets are reviewed each year to ensure that their carrying value is recoverable. In completing this assessment, management rely on estimates from other group entities. These estimates include the level of expected future sales of products covered by the trademarks held and estimated licence fees, as well as clinical trial expenses.

#### *Defined benefit pension scheme (note 15)*

The Group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management rely on estimates from advisors when considering these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

# Forest Laboratories UK Limited

## Notes to the financial statements for the year ended 31 December 2015

### 4 Turnover

Turnover is attributable mainly to the sales of stock to Affiliates and Income from intellectual properties for Ethical and Over the Counter (OTC) pharmaceuticals.

#### Analysis of turnover by geography:

	Year ended 31 December 2015 £	9 months ended 31 December 2014 £
United Kingdom	14,845,487	33,343,749
Rest of Europe	19,753,244	8,912,496
Republic of Ireland	-	1,077,889
Australia and New Zealand	173,556	315,537
Middle East and Far East	6,585	517,232
Asia	-	224,401
Africa	-	11,551
Canada	-	91,572
Central and South America	-	534,733
	<b>34,778,872</b>	<b>45,029,160</b>

#### Analysis of turnover by category:

	Year ended 31 December 2015 £	9 months ended 31 December 2014 £
Sales of goods	26,832,091	45,029,160
Other income	7,946,781	-
	<b>34,778,872</b>	<b>45,029,160</b>

### 5 Operating profit

	Year ended 31 December 2015 £	9 months ended 31 December 2014 £
This is arrived at after charging / (crediting):		
Inventory recognised as an expense	23,226,849	27,445,633
Impairment of inventory (included in cost of sales)	1,005,954	-
Depreciation	47,136	190,059
Amortisation of intangible assets	2,011,200	1,405,780
Research and development expenditure	1,373,652	4,287,517
Profit on foreign currency transactions	(340,518)	(17,762)
Auditors' remuneration:		
- audit services	42,100	42,164
Loss on disposal of tangible assets	-	2,431
Operating leases - plant and machinery	2,661	11,325
Operating leases - motor vehicles	3,075	233,254
Operating leases - premises	-	121,950
Share based payment	-	270,497

During the year ended 31 December 2015, fees of £42,559 were paid to the previous auditors in respect of finalising the work relating to the prior period.

Research and development expenditure relates primarily to the Colobreathe brand. Such activity will continue in 2016, but at a significantly reduced level.

# Forest Laboratories UK Limited

## Notes to the financial statements for the year ended 31 December 2015

### 6 Employees and directors

There were no employees hence no employee costs during the year:

	Year ended 31 December 2015 Number	9 months ended 31 December 2014 Number
Distribution	-	31
Administrative	-	22
	-	53
The were no costs incurred in respect of employees:	£	£
Wages and salaries	-	2,036,214
Social security costs	-	222,706
Other pension costs	-	1,578,346
	-	3,837,266

During the financial year, the employees of Forest Laboratories UK Limited were made redundant except for 11 employees working in selling and marketing who were transferred to Actavis UK Ltd. All the employee costs prior to the redundancies were borne by a fellow group company and thus no payroll costs are noted above.

### Directors' emoluments

	Year ended 31 December 2015 £	9 months Year ended 31 December 2014 £
Aggregate emoluments	-	-

The directors did not receive any emoluments in respect of their services to the group (prior period: £nil). There were no other transactions with directors. The emoluments of the directors are paid by other group companies which make no recharges to the group. The directors are directors of a number of other group companies and it is not possible to make an accurate apportionment of their emoluments in respect of each of the companies.

There are no key management personnel in the group (2014: none), and therefore no disclosure has been made.

# Forest Laboratories UK Limited

Notes to the financial statements  
for the year ended 31 December 2015

<b>7 a. Net interest payable</b>		
<b>Interest receivable and similar income</b>	<b>Year ended 31 December 2015 £</b>	<b>9 months ended 31 December 2014 £</b>
Due from affiliate undertakings	76,725	-
Bank interest	1,541	16,503
	<b>78,266</b>	<b>16,503</b>
<b>b. Interest payable and similar charges</b>		
<b>Interest payable</b>	<b>£</b>	<b>£</b>
Loans due to affiliate undertakings	(52,165)	(107,063)
Bank interest	(565)	(17,062)
Net interest expense on post-employment benefits	(95,000)	(85,000)
	<b>(147,730)</b>	<b>(209,125)</b>
<b>c. Net interest payable</b>		
Interest receivable and similar income	78,266	16,503
Interest payable and similar charges	(147,730)	(209,125)
<b>Net interest payable</b>	<b>(69,464)</b>	<b>(192,622)</b>

## Forest Laboratories UK Limited

### Notes to the financial statements for the year ended 31 December 2015

#### 8 Tax on profit of ordinary activities

	Year ended 31 December 2015 £	9 months ended 31 December 2014 £
<i>a. Tax expense included in profit or loss</i>		
<b>Current tax:</b>		
UK corporation tax on profits for the year	203,614	-
Group tax relief	898,221	-
Adjustment in respect of prior periods	237,935	-
<b>Total current tax charge</b>	<b>1,339,770</b>	<b>-</b>
<b>Deferred tax:</b>		
Timing differences	269,420	(361,200)
<b>Total deferred tax</b>	<b>269,420</b>	<b>(361,200)</b>
<b>Tax on profit on ordinary activities</b>	<b>1,609,190</b>	<b>(361,200)</b>
<i>b. Tax income / (expense) included in other comprehensive income</i>		
Deferred tax	46,440	297,000
<b>Total tax income included in other comprehensive income</b>	<b>46,440</b>	<b>297,000</b>
<i>c. Reconciliation of tax charge</i>		
Profit on ordinary activities before tax	7,097,978	285,216
Profit on ordinary activities at the standard rate of corporation tax in the UK of 20.25% (2014: 21.00%)	1,437,341	59,895
Effects of:		
Expenses not deductible for tax purposes	12,957	11,600
Adjustments in respect of prior periods	237,935	-
Movement on deferred tax not recognised	(123,891)	297,645
Re-measurement of deferred tax – change in UK tax rate	44,848	(7,940)
<b>Total tax charge</b>	<b>1,609,190</b>	<b>361,200</b>

#### Tax future changes

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2015 on 26 October 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and 18% from 1 April 2020. The Finance Bill 2016 replaced the 18% rate with 17% and was substantively enacted on 15 September 2016. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in the financial statements.



# Forest Laboratories UK Limited

## Notes to the financial statements for the year ended 31 December 2015

### 9 Tangible assets

Group & company	Furniture, fixtures and fittings £	Plant and machinery £	Total £
<b>At 31 December 2014</b>			
Cost	468,653	564,256	1,032,909
Accumulated depreciation	(468,653)	(273,351)	(742,004)
Net book amount	-	290,905	290,905
<b>Year ended 31 December 2015</b>			
Opening net book amount	-	290,905	290,905
Depreciation	-	(47,136)	(47,136)
Closing net book amount	-	243,769	243,769
<b>At 31 December 2015</b>			
Cost	468,653	564,256	1,032,909
Accumulated depreciation	(468,653)	(320,487)	(789,140)
Net book amount	-	243,769	243,769

### 10 Intangible assets

Group & company	Brand names & Trademarks £	Total £
<b>At 31 December 2014</b>		
Cost	24,306,649	24,306,649
Accumulated amortisation	(12,034,605)	(12,034,605)
Net book amount	12,272,044	12,272,044
<b>Year ended 31 December 2015</b>		
Opening net book amount	12,272,044	12,272,044
Amortisation	(2,011,200)	(2,011,200)
Closing net book amount	10,260,844	10,260,844
<b>At 31 December 2015</b>		
Cost	24,306,649	24,306,649
Accumulated amortisation	(14,045,805)	(14,045,805)
Net book amount	10,260,844	10,260,844

# Forest Laboratories UK Limited

## Notes to the financial statements for the year ended 31 December 2015

### 11 Investments

#### Company

#### *Subsidiaries and related companies*

The following companies were incorporated in the UK and were dormant at 31 December 2015. The proportion of shares held is 100%.

<i>Subsidiary</i>	Unquoted shares at cost £
Pharmax Limited Cost at 31 December 2014 and 31 December 2015	100

The company holds 100% direct ownership of Pharmax Limited, a company incorporated in the United Kingdom. The registered address of Pharmax Limited is Whiddon Valley, Barnstaple, Devon, EX32 8NS.

The company does not own any other related undertakings.

### 12 Inventories

Group & company	31 December 2015 £	31 December 2014 £
Raw materials	-	12,446,753
Finished goods and goods for resale	-	8,505,882
	-	20,952,635

During the year stock was sold to fellow group companies who now manage the contract manufacturing activities for Forest Laboratories UK Ltd brands.

### 13 Debtors

Group & company	31 December 2015 £	31 December 2014 £
Trade debtors	-	10,596,925
Prepayments and accrued income	730,407	371,245
Amount owed by group undertakings	14,043,807	344,584
Deferred tax asset	475,020	698,000
Corporation tax	-	309,449
	15,249,234	12,320,203

Included in prepayments and accrued income are prepayments of £nil (31 December 2014: £nil) receivable in greater than one year but less than five years.

Amounts owed by group undertakings are unsecured and repayable on demand but are normally settled within 60 days through inter-group netting. Amounts held in the group cash pooling facility generate interest at a variable daily rate and all other balances held generate interest at LIBOR + 0.35%.

# Forest Laboratories UK Limited

## Notes to the financial statements for the year ended 31 December 2015

### 14 Creditors: amounts falling due within one year

	31 December 2015		31 December 2014	
	Group £	Company £	Group £	Company £
Trade creditors	48,696	48,696	6,146,065	6,146,065
Amounts owed to Group undertakings	8,404,007	8,404,107	20,497,917	20,497,917
Accruals and deferred income	816,554	816,554	2,872,056	2,872,056
Corporate tax payable	203,614	203,614	-	-
Other taxation and social security	92,379	92,379	384,703	384,703
Loan due to Group undertakings	-	-	4,167,063	4,167,063
	9,565,250	9,565,350	34,067,804	34,067,804

Amounts owed to Group undertakings are repayable on demand. Amounts held in the group cash pooling facility accrue interest at a variable daily rate and all other balances accrue interest at LIBOR + 0.35%.

### 15 Pension scheme

The Group operates a defined benefit pension scheme for the majority of its employees who joined the scheme prior to 6 April 1993. Any new entrants to the Group's pension scheme between 6 April 1993 and 30 June 2010, joined a money purchase scheme. The assets of the scheme are held in a separate trustee administered fund. This scheme is now closed to new entrants and future benefit accrual. Since 1 July 2010 the Group has operated a group personal pension scheme for all employees to which contributions are made under salary sacrifice rules.

At 31 December 2015, the scheme, which is contracted out of the state scheme, had assets of approximately £6.7m (31 December 2014: £7.3m). Contributions to the scheme by employees and the group have exceeded the recommendations of the actuary in his previous valuation. The group will pay a minimum of £1,704,000 per annum from July 2013 for 6 years in order to reduce the deficit in the scheme. A full actuarial valuation of the mixed benefits scheme was carried out at 30 June 2012 and updated at 31 December 2015 by a qualified independent actuary on an FRS 102 basis. The major assumptions used by the actuary were:

	31 December 2015	31 December 2014
Discount rate	3.8%	3.6%
RPI Inflation assumption	3.4%	3.4%
Revaluation of deferred pensions (non-GMP)	3.4%	3.4%
Pension increases: 5% or RPI if less (LPI)	3.3%	3.3%
Mortality rate tables	S2PA CMI_2014_M/F [1.25%] (yob)	S1PA CMI_2013_M/F [1.25%] (yob)

Under previous UK GAAP the expected return on defined benefit plan assets was recognised in the profit and loss account. Under FRS102, the interest income is calculated by reference to the discount rate and does not reflect the expected return on the assets.

# Forest Laboratories UK Limited

## Notes to the financial statements for the year ended 31 December 2015

### 15 Pension scheme (continued)

#### Life expectancies (in years)

	31 December 2015		31 December 2014	
	Males	Females	Males	Females
For an individual aged 60 in 2015	27.0	29.2	26.9	29.3
At age 60 for an individual aged 40 in 2015	28.9	31.2	28.9	31.4

#### Reconciliation of Scheme's assets and defined benefit obligation

	Assets	Defined Benefit Obligation	Net position
	£	£	£
At 1 January 2015	7,309,000	(10,799,000)	(3,490,000)
Benefits paid	(2,554,000)	2,554,000	-
Employer contributions	1,704,000	-	1,704,000
Interest income / (cost)	227,000	(322,000)	(95,000)
Re-measurement gains / (losses):			
- Actuarial gains / (losses)	-	(249,000)	(249,000)
- Return on assets excluding interest income	(9,000)	-	(9,000)
<b>At 31 December 2015</b>	<b>6,677,000</b>	<b>(8,816,000)</b>	<b>(2,139,000)</b>

Net interest recognised as an expense, see note 7.

#### The fair value of the plan assets was:

	31 December 2015	31 December 2014
Asset class	£	£
Equities	4,400,000	4,541,000
Property	45,000	1,000
Bonds	912,000	968,000
Cash	1,320,000	1,799,000
<b>Total</b>	<b>6,677,000</b>	<b>7,309,000</b>

The plans assets do not include any of the Group's financial instruments nor is any property occupied by any Group entity.

#### The return on the plan assets was:

	Year ended 31 December 2015	9 months ended 31 December 2014
	£	£
Interest income	227,000	228,000
Return on assets less interest income	(9,000)	(9,000)
<b>Total return on the assets</b>	<b>218,000</b>	<b>219,000</b>

# Forest Laboratories UK Limited

## Notes to the financial statements for the year ended 31 December 2015

### 15 Pension scheme (continued)

Reconciliation to the statement of financial position (balance sheet)

	31 December 2015 £	31 December 2014 £
Market value of the assets	6,677,000	7,309,000
Present value of the define benefit obligation	(8,816,000)	(10,799,000)
<b>Pension liability recognised in the financial position before allowance for deferred tax</b>	<b>(2,139,000)</b>	<b>(3,490,000)</b>

### 16 Called up Share capital

Company	31 December 2015 £	31 December 2014 £
<i>Issued and fully paid</i>		
2,150 (2014: 2,150) Ordinary shares of 10p each	215	215
21,500 (2014: 2,1500) Deferred shares of 10p each	2,150	2,150
12% (2014:12%) non-cumulative redeemable preference shares of £1 each	532,573	532,573
<b>Total share capital</b>	<b>534,938</b>	<b>534,938</b>

Ordinary shareholders have 1,000 votes per share and the right to all profits after payment of the preference dividend. On a winding up, following payment to the Preference Shareholders, Ordinary Shareholders will receive £100 per share and the balance of any assets following payment to Deferred Shareholders.

Deferred Shareholders have one vote per share, no rights to share in the profits and on a winding up, repayment of the amount paid up following payment to the preference shareholders and £100 per Ordinary Share.

Preference Shareholders have one vote per share and in a winding up, surplus assets remaining after payment of liabilities shall first be applied to repaying the paid up amount on their shares. The shares were issued on 26 May 1978 and can be redeemed only at the Group's option. The Group must give three months written notice of redemption. The shares would be redeemed at par value.

# Forest Laboratories UK Limited

## Notes to the financial statements for the year ended 31 December 2015

### 17 Share based payment

#### Group & company

The group has operated a share based payment scheme for key management since the period ended 31 March 2007. Prior to this no amounts were reflected in respect of share based payments.

For 2015, the impact of share based payments is a net charge to income of £nil (31 December 2014: £270,497). The expense has been included in the administrative expenses line of the income statement. There was no impact on net assets.

Senior managers and certain other members of staff participate in an equity settled share option scheme operated by the previous parent company, Forest Laboratories Inc. whose shares are listed on the New York Stock Exchange. The options vest over a three, four or five year period from the date of grant and will lapse if not exercised within ten years from the date of grant. The seven year average expected life of the options is based on the contract term and vesting period and represents the period of time that granted options are expected to be outstanding. In addition, the options will lapse three months after an individual leaves the group's employment. There are no market-based vesting conditions. Due to the change in ultimate parent to Actavis Plc in July 2014, share granted options in Forest Laboratories Inc. were exchanged for a like for like basis with share options in Actavis plc.

	31 December 2014 £
The share based remuneration expense (note 5) comprises:	
Equity settled schemes	270,497

	Number 31 December 2015	Weighted average price 31 December 2015 £	Number 31 December 2014	Weighted average price 31 December 2014 £
Outstanding at beginning of year	101,994	23	100,100	22
Granted during the year	-	-	1,894	59
Transferred out	(101,994)	(23)	-	-
Outstanding at end of year	-	-	101,994	23

In the current financial year, the remaining employees of Forest Laboratories UK Limited transferred to other group companies and the share based compensation scheme for those employees also transferred to other group companies. Therefore at year end, there were no remaining share based compensation awards for Forest Laboratories UK Limited.

# Forest Laboratories UK Limited

## Notes to the financial statements for the year ended 31 December 2015

### 18 Capital and other commitments

All motor vehicle lease commitments were transferred to Actavis UK Ltd in January 2015. The Property rental was not renewed when it expired in May 2015. There are currently no other future commitments.

### 19 Related party transactions

The Group has taken advantage of the exemption allowed for Related Party Transactions (Section 33 of FRS 102) not to disclose any transactions or balances with group members. There was no other activity with related parties other than fellow group companies.

### 20 Post balance sheet event

On 2 August 2016, Teva Pharmaceuticals Industries Limited acquired the worldwide generics business of Allergan Plc.

There are no other post balance sheet events to disclose.

### 21 Transition to FRS 102

This is the first year that the group has presented its results under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the full year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 April 2014. Set out below are the changes in accounting policies which reconcile profit and other comprehensive income for the financial period ended 31 December 2014 between UK GAAP as previously reported and FRS 102.

Loss for the financial period	Note	2014 £
UK GAAP as previously reported loss		(54,984)
Defined benefit pension scheme (adjustment before taxation)	A	(21,000)
Defined benefit pension scheme (deferred tax effect)	A	-
<b>FRS 102</b>		<b>(75,984)</b>

  

Other comprehensive expense	Note	2014 £
UK GAAP as previously reported		(1,188,000)
Defined benefit pension scheme (adjustment before taxation)	A	21,000
Defined benefit pension scheme (deferred tax effect)	A	(-)
<b>FRS 102</b>		<b>(1,167,000)</b>

There has been no change in total equity on transition, and as such, a reconciliation of total equity on transition has not been present.

### A Defined benefit scheme

Under previous UK GAAP the group recognised an expected return on defined benefit plan assets in the profit and loss account. Under FRS 102 a net interest income, is calculated by reference to the discount rate and does not reflect the expected return on the assets. The prior period figures have been restated. The effect of the change has been to reduce the credit to the profit and loss account in the year to 31 December 2014 by £21,000 and increase the credit in other comprehensive expense by an equivalent amount.

## **Forest Laboratories UK Limited**

### **Notes to the financial statements for the year ended 31 December 2015**

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#### **22 Ultimate controlling party**

The immediate parent undertaking is Teva Pharma Holdings Limited, a company incorporated in the UK.

The ultimate parent undertaking of the company during the year was Allergan Plc, a company registered in Republic of Ireland.

As at 31 December 2015, Allergan plc was the parent undertaking of the smallest and largest group into which the results of the company were consolidated. Copies of the consolidated financial statements are available from The Companies Registration Office Ireland, Parnell House, 14 Parnell Square, Dublin 1.

On 2 August 2016, Allergan Plc divested their international generics business to Teva Pharmaceutical Industries Limited. As a result of the divestment the ultimate parent company and controlling party of Forest Laboratories UK Limited is now considered by the directors to be Teva Pharmaceutical Industries Limited.

As of 2 August 2016, the largest and smallest group into which the results of the company are consolidated is that headed by Teva Pharmaceutical Industries Limited, a company incorporated in Israel. Copies of Teva Pharmaceutical Industries Limited's financial statements can be obtained from Teva Investor Relations at 1090 Horsham Road, North Wales PA, 19454.