

**G-Pharm Limited**

**Report and Financial Statements**

**Year ended 30 September 2009**

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**REPORT AND FINANCIAL STATEMENTS 2009**

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**REPORT AND FINANCIAL STATEMENTS 2009**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

Dr G W Guy  
Mr J D Gover  
Mr D F Kirk  
Mr A D George

**SECRETARY**

Mr A D George

**REGISTERED OFFICE**

Porton Down Science Park  
Salisbury  
Wiltshire  
SP4 0JQ

**AUDITORS**

Deloitte LLP  
Reading, United Kingdom

## **DIRECTORS' REPORT**

The Directors present their annual report on the affairs of the Company together with the financial statements and independent auditors' report for the year ended 30 September 2009. The Directors have taken advantage of the small companies exemption and have not presented an enhanced business review within this Directors' report.

## **PRINCIPAL ACTIVITIES**

The principal activity of the Company was the research and supply of horticultural and pharmaceutical products and services. The activities and employees of G-Pharm Limited were transferred to another group company, GW Pharma Limited in 2001. The Company has retained the right to receive royalties on sales of horticultural and pharmaceutical products that it has developed.

## **RESULTS AND DIVIDENDS**

The audited financial statements for the year ended 30 September 2009 are set out on pages 5 to 9. The profit for the year after taxation was £67,317 (2008: £77,815).

The Directors do not recommend the payment of a dividend (2008: £nil).

## **DIRECTORS**

The Directors who served during the year and to the date of signing these financial statements are detailed on page 1.

## **GOING CONCERN**

After making enquiries, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

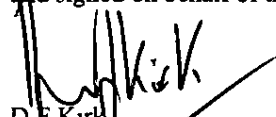
## **AUDITORS**

In the case of each of the persons who are Directors of the Company at the date when this report is approved:

- so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditors are unaware, and
- each of the Directors has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information (as defined) and to establish that the Company's auditors are aware of that information.

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



D F Kirk  
Director  
24 November 2009

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 judgments and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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 AUDITORS' REPORT TO THE MEMBERS OF G-PHARM LIMITED**

We have audited the financial statements of G-Pharm Limited for the year ended 30 September 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 auditors**

As explained more fully in the Directors' Responsibilities Statement, 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 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 (APB'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.

### **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 September 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

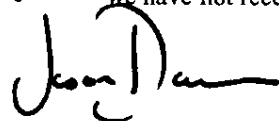
### **Opinion on other matters prescribed by the Companies Act 2006**

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

### **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.



Jason Davies (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
Reading, United Kingdom  
24 November 2009

**PROFIT AND LOSS ACCOUNT**  
**For the year ended 30 September 2009**

	Notes	2009 £	2008 £
<b>TURNOVER</b>	2	67,317	77,815
Administrative expenses		-	-
<b>OPERATING PROFIT</b>		67,317	77,815
Interest receivable - bank interest		-	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	67,317	77,815
Tax on profit on ordinary activities	5	-	-
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION BEING RETAINED</b>			
<b>PROFIT FOR THE YEAR</b>	11	67,317	77,815

All activities relate to continuing operations

The Company has no recognised gains and losses other than the profit above, and therefore no separate statement of total recognised gains and losses has been presented

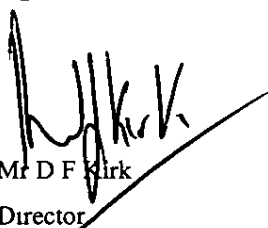
The accompanying notes are an integral part of this profit and loss account

**BALANCE SHEET**  
**30 September 2009**

	Note	2009 £	2008 £
<b>FIXED ASSETS</b>			
Investments	6	1	1
		<u>1</u>	<u>1</u>
<b>CURRENT ASSETS</b>			
Debtors	7	329,732	262,415
		<u>329,732</u>	<u>262,415</u>
<b>CREDITORS: amounts falling due within one year</b>	8	(1,000)	(1,000)
<b>NET CURRENT ASSETS</b>		<u>328,732</u>	<u>261,415</u>
<b>NET ASSETS</b>		<u>328,733</u>	<u>261,416</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	130,852	130,852
Share premium account	10	77,700	77,700
Profit and loss account	10	120,181	52,864
<b>SHAREHOLDER'S FUNDS</b>	11	<u>328,733</u>	<u>261,416</u>

These financial statements of G-Pharm Limited, registered number 03107561, were approved by the Board of Directors on 24 November 2009

Signed on behalf of the Board of Directors



Mr D F Kirk  
Director

The accompanying notes are an integral part of this balance sheet



**NOTES TO THE ACCOUNTS**  
**Year ended 30 September 2009**

**1. ACCOUNTING POLICIES**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

**Basis of accounting**

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

The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 401 of the Companies Act 2006 because it is a wholly owned subsidiary of GW Pharmaceuticals plc which prepares consolidated financial statements which are publicly available. The Company is also, on this basis, exempt from the requirements of FRS 1 to present a cashflow. The financial statements contain information about G-Pharm Limited as an individual undertaking and do not contain consolidated financial information as the parent of a group.

**Going Concern**

After making enquiries, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

**Investments**

Fixed asset investments are shown at cost less any provision for impairment.

**Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured on a non-discounted basis.

**Turnover**

Turnover represents amounts receivable for royalties upon sales of horticultural and pharmaceutical products to customers. It is recognised as sales are made to customers by a fellow Group company.

**2. TURNOVER**

Turnover arose from the company's principal activity which was carried out wholly within the UK. All Turnover is derived from a fellow Group company.

**3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

The current year's auditors' remuneration of £500 (2008: £500) has been borne by another group company.

**4. DIRECTORS' EMOLUMENTS AND EMPLOYEES**

The four (2008: four) Directors are employed by other group companies and are remunerated £1,187,483 for their services to the group (2008: £968,563). The Directors' emoluments allocated to this company are £nil (2008: £nil).

There company had no employees in either year.

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**Year ended 30 September 2009**

**5. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2009 £	2008 £
<b>UK corporation tax</b>		
UK corporation tax on profit for the year	-	-
<b>Factors affecting the tax charge for the year</b>		
The differences are explained below		
	2009 £	2008 £
Company profit on ordinary activities before tax	67,317	77,815
Tax credit on Company profit at standard UK corporation tax rate of 28% (2008 28%)	18,849	21,788
Effects of Group relief	(18,849)	(21,788)
Taxation charge for the year	-	-

**6 FIXED ASSET INVESTMENTS**

	Unlisted subsidiary undertakings £
At 1 October 2008 and 30 September 2009	1

Company	Country of incorporation	Description and proportion of shares held	Principal activity
G-Pharm Trustee Limited	England and Wales	100% of ordinary shares	Dormant

**7. DEBTORS**

Amounts falling due within one year

	2009 £	2008 £
Amounts due from Group undertakings	329,732	262,415

**NOTES TO THE ACCOUNTS (CONTINUED)**  
**Year ended 30 September 2009**

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2009 £	2008 £
Accruals	1,000	1,000

**9. SHARE CAPITAL**

	2009 £	2008 £
<b>Authorised</b> 250,002 ordinary shares of £1 each	250,002	250,002
<b>Allotted, called up and fully paid</b> 130,852 ordinary shares of £1 each	130,852	130,852

**10. RESERVES**

	Share premium account £	Profit and loss account £
As at 1 October 2008	77,700	52,864
Profit for the year	-	67,317
As at 30 September 2009	77,700	120,181

**11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS**

	2009 £	2008 £
Shareholder's funds at beginning of year	261,416	183,601
Retained profit for the year	67,317	77,815
Shareholder's funds at end of year	328,733	261,416

**12. ULTIMATE CONTROLLING PARTY**

The Directors regard GW Pharmaceuticals plc, a company incorporated in England and Wales, as the ultimate parent company and the controlling party

GW Pharmaceuticals plc is the parent company of the largest and smallest group of which the Company is a member and for which group financial statements are drawn up. Copies are available from Porton Down Science Park, Salisbury, Wiltshire, SP4 0JQ

**13. RELATED PARTY TRANSACTIONS**

As a subsidiary undertaking of GW Pharmaceuticals plc, the Company has taken advantage of the exemption in FRS 8 "Related party disclosures" from disclosing transactions with other members of the group headed by GW Pharmaceuticals plc