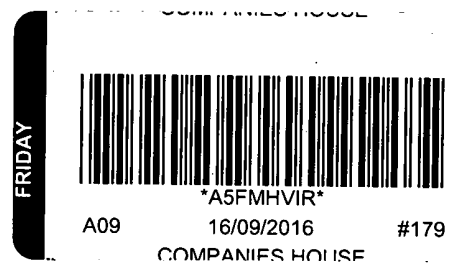


# Reliance GeneMedix Limited

Annual report and financial statements  
for the period ended 30 September 2015

Registered number: 03467317



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## Notes to the Financial Statements – Continued

### Strategic Report

The directors present their strategic report for the 18 month period ended 30<sup>th</sup> September 2015.

### Background

Reliance GeneMedix is a globally-focused pharmaceutical company, specialising in the development and marketing of high-quality, cost-effective treatments for some of the world's most serious diseases. Since February 2007, the company has been part of the Reliance Life Sciences Group of companies. The Reliance Life Sciences Group is working towards the development, manufacture and marketing of a portfolio of bio-similar recombinant therapeutic proteins for global markets.

### Principal activities

The principal activities of the company were historically the development and production of pharmaceuticals, including bio-similars, which are a generic version of innovative recombinant therapeutic proteins. In the period the company ceased its manufacturing operations and is now focused on marketing products on behalf of the parent and group. There are plans to expand the business in the future to include own sales and distribution network.

### Financial review

The directors present their report on the affairs of the Company and the audited financial statements for the 18 month period ended 30 September 2015. The comparative period is for the year ended 31 March 2014 which is for 12 months.

The headline figures from the Company's financial statements for the period are as follows

	€'000	€'000
	30.09.2015 (18 Months)	31.03.2014
Revenue from continuing operations	92	-
Operating loss	(75)	(69)
Loss from Discontinued Operation	(15,028)	(4,060)
Loss before tax	(15,194)	(4,185)
Shareholders' deficit	(14,898)	(3,190)
Intangible assets	1,650	14,483

Revenue from continuing operations was €92,000 as this was the first period for which the company launched and sold group products in the European Union. The previous trade of manufacturing and selling pharmaceuticals has been discontinued, with the closure of the Ireland manufacturing facility and impairment of intangible assets as result of discontinuation of EPO development program.

Operating losses of € 75,000 (2014: € 69,000) for the period are in line with budget and indicative of planned expenditure. The company continues to exercise strict financial discipline and cost control in order to sustain its activities.

### Business overview

During the period, the company has registered two oncology products – Temozolomide and Capecitabine, in UK. These products are manufactured by Reliance Life Sciences and will be marketed by the company in Europe. The company has initiated sales of Temozolomide and the sales momentum has progressed well.

## **Notes to the Financial Statements – Continued**

The EPO licensing project for the EU and US markets did not progress as envisaged with the new licensing partner; hence the company has terminated the partnership. As a result the company stopped the manufacture of EPO at its manufacturing facility. Subsequently the manufacturing facility has been sold to another biopharmaceutical company in September 2015. This has helped the company reduce its operating costs substantially. The company has made all its employees redundant since it discontinued manufacturing activities at its facility in Ireland.

The company generated cash flow to fund its operations through the facility sale and product sales. The Company does not envisage any capital infusion from its parent company in future, however the parent company has committed to supporting the business, if required, for at least 12 months from the date these financial statements are signed.

### **Principal risks and uncertainties**

The Company's business is influenced by a range of factors, some of which may be beyond the control of the Company and its Board. The risk factors are set out below.

#### *Regulatory approval*

The clinical evaluation and marketing of the Company's drug candidates are subject to regulation by government. Many countries, including all members of the EU and the US, have very high standards of appraisal and, accordingly, the approval process can be lengthy and quite expensive.

#### *Commercialisation*

The Company has successfully registered two products in the UK but has currently no access to any marketing, sales or distribution functions in its main market, the EU. This may affect Company's success in marketing the products. Besides, the Company's competitors include, amongst others, major pharmaceutical companies with substantially larger financial resources. There is no assurance that the Company's competitor's strategies and products will not adversely affect the market share that the Company can gain.

### **Key performance indicators (KPIs)**

The Company has commercialized one product in the UK and the Directors believe that launching its products in EU markets and achieving target market share are the KPIs for the Company to be successful in achieving commercial efficacy.

By order of the Board



Vinay Ranade

Chief Executive Officer & Company Secretary

Date 15 September 2016

## **Notes to the Financial Statements – Continued**

### **Corporate Information**

#### **Directors**

Dr. R. A. Mashelkar – Non Executive Chairman

Mr. K. V. Subramaniam – Executive Director

#### **Secretary**

Mr. Vinay Ranade

#### **Registered office**

8<sup>th</sup> floor  
105 Wigmore Street  
London W1U 1QY, UK

#### **Registered number**

03467317

#### **Registrars**

SLC Registrars  
Thames House  
Portsmouth road  
Esher, Surrey KT10 9AD

#### **Auditor**

Deloitte LLP  
2 New Street Square  
London, EC4A 3BZ

## **Notes to the Financial Statements – Continued**

### **Directors' report**

#### **Board changes**

There has been no change in the board of directors. The directors who served throughout the period and to the date of the audit report are stated on page 5.

#### **Political support**

Reliance GeneMedix Limited did not support, or make any donations to, political parties in the period (2013-14: € nil).

#### **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 the directors approve the "Going Concern" basis for preparing the financial statements. Please see Note 2 to the financial statements for further detail.

#### **Results and dividends**

The loss for the period was € 15.194 million (2014: € 4.185 million).

In view of the past accumulated losses of the Company, the Directors do not recommend the payment of a dividend for the period (2014: € nil).

#### **Financial instruments and associated risks**

The Board reviews and agrees overall treasury policies, delegating appropriate authority to the Chief Executive Officer. Financial instruments are used to manage the financial risks facing the Company – speculative transactions are not permitted.

The Company's financial instruments comprise primarily cash, cash equivalents and borrowings. In addition to the primary financial instruments mentioned above, the Company also has other financial instruments, such as trade debtors, creditors and accruals that arise directly from the Company's operations. The main purpose of these financial instruments is to provide working capital for the Company's operations.

The main risks arising from the Company's activities, and involving the use of financial instruments, are foreign currency risk, interest rate risk and liquidity risk. Note 3 to the financial statements sets out the risks in respect of financial instruments, along with numerical disclosures for each category of financial instrument.

#### **Change of year-end**

In the period, the Company closed the manufacturing facility at Ireland, make all employees redundant and ultimately sold the facility. In view of the said decision, the Board of Directors had decided to change the year end March 31, 2015 to September 30, 2015 and filed the appropriate forms with Companies House. Accordingly, the financial statements have been prepared for the period from April 1, 2014 to September 30, 2015.

#### **Post balance sheet events**

There have been no significant events since the balance sheet date.

## **Notes to the Financial Statements – Continued**

### **Related party transactions**

Please refer to Note 26 in the Notes to the Financial Statements.

### **Directors' interests**

The directors who held office at 30 September 2015 and 31 March 2014 had no interests in the shares of the Company.

### **Auditor**

Deloitte LLP were appointed as auditors of the Company for the period ending 30 September 2015.

### **Disclosure of information to the auditor**

As required by Section 418 (2) of the Companies Act, 2006, each of the persons who are directors at the date of approval of this Report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the 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 auditor is aware of that information.

### **Re-appointment of Auditors**

In accordance with s 485 of the Companies Act 2006, it is proposed to re-appoint Deloitte LLP as auditor of the company.

### **Directors' responsibilities statement in respect of the Annual Report and the financial statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

The directors are responsible for preparing financial statements for each financial period, which give a true and fair view, in accordance with IFRS, 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

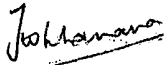
The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and 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.

## Notes to the Financial Statements – Continued

The directors are responsible for the update, maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board



**K. V. Subramaniam**

**Director**

**Date 15 September 2016**



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RELIANCE GENEMEDIX LIMITED

We have audited the financial statements of Reliance GeneMedix Limited for the period ended 30 September 2015 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Cash Flow Statement, the Statement of Changes in Equity and the related notes 1 to 27. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditor

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

### 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 2015 and of its loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RELIANCE GENEMEDIX LIMITED  
(Continued)**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Peter McDermott (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom  
15 September 2016

## Notes to the Financial Statements – Continued

### Statement of Comprehensive Income

For the period from 1 April 2014 to 30 September 2015

	Notes	Period ended 30 Sep 2015 €'000	Year ended 31 Mar 2014 (Restated) €'000
<b>Continuing Operations</b>			
Revenue		92	-
Cost of Sales		(77)	-
<b>Gross Profit</b>		15	-
Administrative expenses	6	(90)	(69)
Operating Loss		(75)	(69)
Finance Cost	5	(91)	(56)
<b>Loss before Taxation</b>		(166)	(125)
<b>Taxation</b>	9	-	-
<b>Loss from the period/ year from continuing operation</b>		(166)	(125)
<b>Discontinued Operations</b>			
(Loss) from Discontinued Operations net of Tax	23	(15,028)	(4,060)
<b>(Loss) for the period/ year attributable to equity holders of the parent</b>		(15,194)	(4,185)
<b>Other comprehensive income</b>		-	-
<b>Other comprehensive income for the period/ year net of tax</b>		-	-
<b>Total comprehensive income for the period/ year, net of tax</b>		(15,194)	(4,185)

Note: Figures of previous year are restated in view of discontinued operations (refer to note 23).

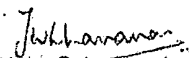
Notes to the Financial Statements – Continued

**Statement of Financial Position:**

As at 30 September 2015

	Notes	30 Sep 2015 €'000	31 Mar 2014 €'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	10	1,650	14,483
Property, plant and equipment	11	-	217
Deferred tax asset		-	1,660
		<u>1,650</u>	<u>16,360</u>
<b>Current assets</b>			
Inventories	12	91	568
Trade and other receivables	13	350	207
Restricted cash	20	5	118
Cash and cash equivalents	20	1,629	48
		<u>2,075</u>	<u>941</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	14	(3,185)	(1,686)
Borrowings	15	(1,302)	(1,159)
		<u>(4,487)</u>	<u>(2,845)</u>
<b>Net current liabilities</b>		<u>(2,412)</u>	<u>(1,904)</u>
<b>Total assets less current liabilities</b>		<u>(762)</u>	<u>14,456</u>
<b>Non-current liabilities</b>			
Trade and other payables	14	-	(3,488)
Borrowings	15	(14,136)	(14,158)
		<u>(14,136)</u>	<u>(17,646)</u>
<b>Net liabilities</b>		<u>(14,898)</u>	<u>(3,190)</u>
<b>Shareholders' equity</b>			
Share capital	16	26,412	26,412
Share premium	16	41,601	41,601
Other reserves	18	3,281	(206)
Retained losses		(86,192)	(70,997)
<b>Total equity attributable to equity holders of the parent</b>		<u>(14,898)</u>	<u>(3,190)</u>

The financial statements of Reliance GeneMedix Limited, registered in England and Wales No. 03467317, on pages 11 to 39 were approved for issuance by the Board of Directors on 15 Sep 2016 and were signed on its behalf by:

  
K. V. Subramaniam  
Director

## Notes to the Financial Statements – Continued

### Statement of Changes in Equity

For the period from 1 April 2014 to 30 September 2015

	Notes	Share capital €'000	Share premium €'000	Other reserves €'000	Retained losses €'000	Total €'000
<b>Balance at 01 April 2013</b>		26,412	41,601	(206)	(66,812)	995
(Loss) for the year		-	-	-	(4,185)	(4,185)
<b>Balance at 31 March 2014</b>		<b>26,412</b>	<b>41,601</b>	<b>(206)</b>	<b>(70,997)</b>	<b>(3,190)</b>
(Loss) for the period		-	-	-	(15,194)	(15,194)
Capital Contribution from parent		-	-	3,487	-	3,487
<b>Balance at 30 September 2015</b>		<b>26,412</b>	<b>41,601</b>	<b>3,281</b>	<b>(86,192)</b>	<b>(14,898)</b>

## Notes to the Financial Statements – Continued

### Cash Flow Statement

For the period from 1 April 2014 to 30 September 2015

	Notes	Period ended 30 Sep 2015 €'000	Year ended 31 Mar 2014 (Restated) €'000
<b>Cash flow from operating activities</b>			
Cash from/(used in) operating activities	19	1,317	(53)
<b>Net cash from/ (used in) operations</b>		<b>1,317</b>	<b>(53)</b>
 <b>Cash flows from investing activities:</b>			
Payments for acquisition of intangible assets		(1,650)	-
Proceeds from Disposal of Plant Property & Equipment		1,818	-
Decrease in restricted cash		113	37
<b>Net cash generated from investing activities</b>		<b>281</b>	<b>37</b>
 <b>Cash flows from financing activities:</b>			
Repayment of borrowings		(22)	-
 <b>Net Cash Flow used in Financing Activities</b>		<b>(22)</b>	<b>-</b>
 <b>Net Increase/(Net decrease) in cash and cash equivalents</b>		<b>1,576</b>	<b>(16)</b>
Cash and cash equivalents at the beginning of period/ year	20	48	63
Net currency translation effect		5	1
<b>Cash and cash equivalents</b>	20	<b>1,629</b>	<b>48</b>

## Notes to the Financial Statements

For the period ended 30 September 2015

### 1. General information

Reliance GeneMedix Limited ('the Company') (referred to as 'RGMX') were previously engaged in developing, manufacturing and distributing comparable biotechnology pharmaceuticals, 'Bio-similars', which are a generic version of high value therapeutic proteins. The Company has decided to discontinue the development of Bio-similars and has switched to distribution of pharmaceutical oncology drugs. The Company has received market authorisation to sell its first oncology product Temozolomide in the UK and Germany which will be manufactured by the ultimate parent company Reliance Life Sciences Private Limited (RLSPL).

The Company is a private limited company incorporated and domiciled in the United Kingdom. The address of its registered office is 8th Floor, 105 Wigmore Street, London, W1U 1QY, UK. The Company is a subsidiary of Reliance Life Sciences BV (RLS BV).

### 2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

#### 2.1. Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") adopted by the European Union, which comprises standards and interpretations approved by the International Accounting Standards Board ("IASB") and with those parts of The Companies Act 2006 applicable to companies reporting under IFRS.

All IFRSs issued by the IASB that were effective at the time of preparing the financial statements and adopted by the European Commission for use inside the EU were applied by Reliance GeneMedix Limited. These financial statements have been prepared under the historical cost convention.

#### *Use of estimates and judgements*

The preparation of the financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to these financial statements are disclosed in Note 4: Critical accounting estimates and judgements.

#### *Going concern*

The Company is part of the Reliance Life Sciences Group of companies. The Company was previously working towards the development, manufacture and marketing of a portfolio of bio-similar recombinant therapeutic proteins for global markets.

In April 2015, the Company in its meeting of its Board of Directors decided to discontinue its manufacturing operations at its Ireland facility and downsize the team and explore sale of the facility. The Company sold the Ireland facility in September 2015.

## Notes to the Financial Statements – Continued

The Company has switched focus to selling other Group products to the EU market. During the period, the Company acquired rights from its parent company to market pharmaceuticals products in UK and Europe. The Company has received market authorisation to sell its oncology product "Temozolomide" in United Kingdom (UK) and Germany.

During the period, the company has met all its cash outflow requirements through the sale of its EPO products to RLSPL, the disposal of Ireland facility and sales from Oncology products.

Considering the above, the directors, having assessed the financial budget of 2015-16 and business plan of trading Pharmaceuticals Oncology products for the next 3 years, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the company to continue its operations as envisaged in the budget. The Company will also have the support of its parent company, as needed, and as such the directors are satisfied that the "Going Concern" basis of preparing the financial statements is appropriate.

(a) **New accounting Standards, amendment and interpretations effective in this financial Year.**

The Company has adopted the following new and revised IFRS in respect of this financial year:

- IAS 32 (Amendment): Offsetting financial assets and financial Liabilities
- IAS 19 (Amendment) Defined Benefit Plan : Employee Contributions Effective Date 1 July 2014
- IAS 16 Property ,Plant & Equipment (Amendment) Effective Date 1 July 2014
- IAS 24 Related Party Disclosure (Amendment) Effective Date 1 July 2014
- IAS 38 Intangible Assets (Amendment) Effective Date 1 July 2014
- IAS 40 Investment Property (Amendment) Effective Date 1 July 2014

The application of the standards and interpretations noted above did not result in material changes in the Company's Financial Statements.

(b) **Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company**

The Company has not applied the following standards and interpretations that have been issued but are not effective:

- IAS 19 (Amendment) Defined Benefit Plan : Employee Contributions Effective Date 1 February 2015
- Annual Improvements 2010-2012 Cycle Effective date 1 February 2015
- Annual Improvements 2011-2013 Cycle Effective date 1 January 2015
- IFRS 9 Financial Instruments Effective date 1 January 2015
- IFRS 15 Revenue from Contracts with Customers Effective 1 January 2018
- IFRS 16 Leases Effective 1 January 2019

The effective dates stated here are those given in the Original IASB/IFRIC standards and interpretations. As the Company prepares its financial statements in accordance with IFRS as adopted by European Union, the application of new standards and interpretations will be subject to their being endorsed for use in the EU via the EU Endorsement mechanism. In the majority of cases this will result in an effective date consistent with that given in the original standard or interpretation but the need for endorsement restricts the Company's discretion to adopt standards early.



## Notes to the Financial Statements – Continued

The Standards and interpretations addressed above will be applied for the purpose of the Company's Financial Statements with effect from the dates listed. The Directors do not anticipate that adoption of these standards and interpretations will have a material impact on the Company's Financial Statements.

There are no other IFRSs or IFRIC interpretations that are not effective that would be expected to have a material impact on the Company.

### 2.2. Revenue Recognition

Revenues principally comprise income from trading of pharmaceuticals products and previously from sales of manufactured products and licenses for these products. Revenues are recognised upon transfer to the customer of significant risks and rewards, usually upon despatch of goods where the sales price is agreed and collectability is reasonably assured.

### 2.3. Foreign currency translation

#### (a) *Functional and presentation currency*

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in euro ('€'), which is the Company's presentation currency and are rounded to €'000s. All monetary assets and liabilities denominated in Pound Sterling as on 30 September 2015 have been converted to euro at an exchange rate of 1.35510 and other Pound Sterling assets and liabilities have been converted to euro at historical rates.

#### (b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in a foreign currency are recognised in the statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

### 2.4. Property, plant and equipment

Property, plant and equipment are stated at the cost of purchase or construction less provision for depreciation and impairment. The cost of property, plant and equipment includes acquisition costs and labour and overhead costs arising directly from the construction or acquisition of an item of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenditures are charged to the income statement during the financial year in which they are incurred.

Property, plant and equipment depreciation is provided on the difference between the cost of an item and its estimated residual value, in equal annual instalments over the estimated useful lives of the assets as follows:

## Notes to the Financial Statements – Continued

Plant and machinery	10%–20%
Office equipment	10%–20%
Fixtures and fittings	10%–20%
Leasehold improvements/land and buildings	10%–20%

Assets in the course of construction are depreciated when they have been brought into operational use.

Residual values of assets and their useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date. An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sale and value in use.

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the income statement.

### 2.5. Intangible assets

#### (a) *Licences and technical knowhow*

Acquired technical knowhow and licences are shown at historical cost. Technical knowhow and licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of technical knowhow and licences over their estimated useful lives (15 years).

#### (b) *Research and development*

Research expenditure is charged to the income statement in the period in which it is incurred.

Research and development expenditure that does not create, produce or prepare an asset for future use is expensed as incurred. Further details are included in Note 4.1.

Where development costs are capitalised, they are amortised over their useful economic lives (10 years) from product launch. Useful economic life has been based on the estimated life cycle for products under development.

### 2.6. Impairment of assets

Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Prior to the commencement of amortisation, intangible assets are reviewed for impairment at least annually. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Any impairment loss is charged to the income statement in the year concerned. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash generating units).

The expected cash flows generated by the assets are discounted using asset specific discount rates which reflect the risks associated with the groups of assets.

### 2.7. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the Statement of Financial Position date. These are classified as non-current assets. The Company's loans and

## Notes to the Financial Statements – Continued

receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the Statement of Financial Position.

Trade and other receivables are recognised at cost. A provision for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade or other receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within 'administrative expenses'. When another receivable is uncollectible, it is written off against the allowance account for other receivables. Subsequent recoveries of amounts previously written off are credited against 'administrative expenses' in the income statement.

### 2.8. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first in, first out (FIFO) method. The cost of finished goods comprises raw materials, direct labour, other direct costs and an appropriate proportion of related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Provision is made for obsolete, slow-moving or defective items where appropriate.

### 2.9. Cash and cash equivalents

Cash and cash equivalents are cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are carried in the Statement of Financial Position at amortised cost. For the purposes of the cash flow statement, net cash and cash equivalents comprise cash at bank and in hand and short-term deposits.

Restricted cash is carried in the Statement of Financial Position at amortised cost. Restricted cash comprises reserve funds required for financial guarantee contracts and collateral against certain operating leases.

### 2.10. Trade payables

Trade payables are recognised at cost.

### 2.11. Borrowings

#### (a) Loans

Obligations for loans are recognised when the Company becomes party to the related contracts and are measured initially at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses arising on the repurchase, settlement or other cancellation of liabilities are recognised respectively in finance revenue and finance cost.

#### (b) Convertible loan notes

Convertible loan notes are separated into liability and equity components based on the terms of issue.

## Notes to the Financial Statements – Continued

On issuance of a convertible loan note, the fair value of the liability portion is determined by applying a market interest rate for an equivalent non-convertible loan note to the forecast cash flows under the convertible loan note agreement. This amount is recorded as a financial liability on an amortised cost basis until extinguished on conversion or redemption of the loan notes.

The remainder of the proceeds of the loan note is allocated to the conversion option which is recognised and included in shareholders' equity. The value of the conversion option is not changed in subsequent periods.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the Statement of Financial Position date.

### *(c) De-recognition of financial liabilities*

A financial liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

### *(d) Borrowing costs*

Borrowing costs are expensed in the period in which they occur.

## **2.12. Leases**

Lease agreements which transfer to the Company substantially all the risks and rewards of ownership of an asset are classified as finance leases.

All other leases are classified as operating leases. Payments made under operating leases, are charged to the income statement on a straight-line basis over the period of the lease.

## **2.13. Employee benefits**

### *(a) Pension obligations*

The Company previously operated a pension plan for its employees. The Company's contributions to this plan are charged to the income statement in the period to which they relate. The Company contributed a sum equal to a proportion of basic salary (currently a maximum of 7%) to Company Pension Scheme on behalf of each participating employee each month. The Company has no further payment obligations once the contributions have been paid. For the period April 2014 to September 2015 the Company took all employees consent and have stopped pension contributions.

### *(b) Share-based compensation*

Incentives in the form of shares were previously provided to employees under share option and long-term incentive plans. In accordance with IFRS 2 Share-based Payment, charges for these incentives were expensed through the income statement on a straight-line basis over their vesting period, based on the Company's estimate of shares that will eventually vest. The total amount to be expensed is determined by reference to the fair value of the options or awards at the date they were granted excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions were included in estimates about the number of options that were expected to become exercisable or were released.

## **Notes to the Financial Statements – Continued**

At each Statement of Financial Position date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period.

In the event of an individual's employment being terminated by the Company, any unvested options at the date of termination are treated as being forfeited.

### **(c) Termination benefits**

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either: (i) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or (ii) providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the Statement of Financial Position date are discounted to present value.

### **(d) Profit-sharing and bonus plan**

The Company recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

## **2.14. Provisions**

Provisions for legal claims are recognised when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as an interest expense.

## **2.15. Share capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### **Warrants**

Proceeds from the issuance of warrants, net of issue costs, are credited to warrants reserve. Warrants reserve is non-distributable and will be transferred to share premium account upon the exercise of warrants. Balance of warrants reserve in relation to the unexercised warrants at the expiry of the warrants period will be transferred to accumulated profits. The Company does not reclassify a warrant instrument following a change of circumstances which, had it occurred before initial recognition of the warrant instrument, would have changed its classification.

## Notes to the Financial Statements – Continued

### 2.16. Taxation

#### (a) Current tax

Current tax is the expected tax payable on the taxable income for the year using the tax rates and laws that have been enacted or substantially enacted at the Statement of Financial Position date in the countries where the Company's branch and subsidiaries operate and generate taxable income, and any adjustment to tax payable in respect of previous years.

#### (b) Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit / loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Statement of Financial Position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

### 3. Financial risk management

#### 3.1. Financial risk factors

The Company holds financial instruments to finance its operations and to manage the currency risk that arises from these operations. It is the Company's policy that no speculative trading in financial instruments shall be undertaken. The Company finances its operations through a combination of equity, convertible loan notes as disclosed in Note 15: Borrowings. The main risks arising from the Company's financial instruments are liquidity risk, market risk, and credit risk.

##### (a) Market risk

###### *Foreign currency exchange risk*

The Company is exposed to movements in foreign exchange rates against the Euro for trading transactions and the translation of net assets, liabilities and expenses of the UK entity and subsidiaries. The main trading currencies of the Company are Pound Sterling and the Euro (2014: Pound Sterling and the Euro).

Almost all of the Company's operations are based in Ireland and UK giving rise to exposures to changes in foreign exchange rates between the Euro and the Pound Sterling. To minimise the impact of any fluctuations, the Company's policy has historically been to maintain natural hedges by relating the structure of borrowings to the trading cash flows that generate them.

## Notes to the Financial Statements – Continued

The aggregate carrying amounts of foreign currency denominated monetary assets and liabilities held by the Company, which are not denominated in its functional currency, as at the reporting date are as follows:

	<b>September 2015</b>		<b>March 2014</b>	
	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Assets</b>
	€'000	€'000	€'000	€'000
Pound Sterling	(2,204)	173	(1,775)	162

The Company is mainly exposed to the Pound Sterling. In addition, the Company is exposed to cross currency rates, as operating costs of the UK entity are often in currencies other than their functional currency.

The following table details the Company's loss before tax sensitivity to a 10% increase and decrease in euro as at the Statement of Financial Position date against the relevant foreign currencies, with all other variables held constant. It includes foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates. A positive number indicates a strengthening of the relevant currency. For a weakening there would be an equal and opposite impact on the loss, and the balances below would be reversed.

	€/£
	€'000
<b>September 2015</b>	(203)
<b>2014</b>	(162)

At 30 September 2015, if all currencies had weakened/strengthened by 10% against the euro with all other variables held constant, loss for the year would have been €203,073 (2014: €154,687) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Pound Sterling denominated borrowings.

### Price risk

The Company is exposed to price risk including labour and material costs. The Company addresses the materials price risk through competitive and alternate sourcing strategies.

### Interest rate risk

The Company borrows at fixed and floating rates of interest as deemed appropriate for its circumstances. All borrowings are at fixed rates, but deposits are at floating rates the Company is therefore exposed to interest rate risk.

The Company's exposure to interest rates on financial assets and liabilities is detailed in Note 15: Borrowings. The sensitivity analysis has been prepared to show the effect of a 1% increase in market interest rates on interest income and expense. For floating rate financial assets the analysis is prepared assuming the amount of asset that was outstanding as at 30 September 2015. A 1% decrease would have an equal and opposite effect on the change in loss.

	Effect on loss before tax	
	<b>30 Sep 2015</b>	<b>31 Mar 2014</b>
	€'000	€'000
Pound Sterling	1	2
Euro	1	2

## Notes to the Financial Statements – Continued

### *(b) Credit risk*

Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash and cash equivalents, restricted cash and other receivables. Cash and cash equivalents present minimal risk. Excess cash is invested in short-term money market instruments, including bank term deposits, money market and liquidity funds. These investments typically bear minimal risk.

The Company's revenue from product sales are likely to be mainly derived from agreements with major pharmaceutical companies and relationships with pharmaceutical wholesale distributors and retail pharmacy chains. All revenue generated from product sales was pertaining to RLSPL, the ultimate parent company and M/s Mawdsley Brooks & Company Limited in UK for its pharmaceutical Oncology products. The directors have satisfied themselves that the anticipated credit risk for trade receivables is low. The Company will take positive steps to manage any credit risk associated with future trade account receivable and operates clearly defined credit evaluation procedures.

With respect to credit risk arising from other financial assets in the Company, the maximum exposure is equal to the carrying value of the instrument.

### *(c) Liquidity risk*

The Company's policy is to maintain continuity of funding through a mixture of long-term debt and bank loans, raised to cover specific projects, and through the issue of shares to collaborative partners, where necessary, to finance development contracts. Short-term flexibility is provided through the use of bank overdrafts.

As set out in Note 15 Borrowings, the Company has in issue a €1.95 million (including interest accrued) convertible loan note which should have been redeemed at par on 30 August 2008. The Company is in the advance stage of discussion with note holder to repay/settle the loan note in near future.

The maturity of the debt is disclosed in Note 15: Borrowings.

Management monitors rolling forecasts of the Company's liquidity reserve (comprising equity raisings, debenture loan notes and loans) (Financial review in directors report) and cash and cash equivalents (Note 20) on the basis of expected cash flow.

## **3.2. Capital risk management**

The capital structure of the Company consists of debts, which includes the borrowings disclosed in Note 15, cash and cash equivalents disclosed in Note 20 and capital, reserves and retained losses disclosed in the 'Statement of Changes in Equity' and Note 18. The Company manages its capital to ensure that in the future, the Company will be able to continue as a going concern and has sufficient capital available to meet future funding requirements.

The Company is not subject to any externally imposed capital requirements.

## **3.3. Fair value estimation**

The nominal value less estimated credit adjustments of other receivables and trade payables are assumed to approximate to their fair values. The fair value of the liabilities for disclosure purposes is estimated by discounting the future cash flows at the current market interest rates that are available to the Company for similar financial instruments.



## Notes to the Financial Statements – Continued

At 30 September 2015, the Company had 4% convertible loan stock of €1.95 million (including interest accrued), which had a carrying value of €1.95 million and 7% unsecured loan of €14.14 million, which had a carrying value of €14.14 million. Further details on fair value of secured and unsecured loan are shown in 15.

### 4. Critical accounting estimates and judgements

The preparation of the financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The Notes to the financial statements set out areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the financial statements such as intangible assets (Note 10). The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised.

#### 4.1. Intangible assets

Within the change in the business model the Company has written off the carrying value of Intangible Property Right of EPO.

The Company acquired a license to sell products on behalf of the Group in the year and has classified this license as an intangible asset.

#### *Estimated impairment of intangible assets – Acquired from the Parent Company*

The Company tests annually whether intangible assets have suffered any impairment; in accordance with the accounting policy stated in Note 2.6. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations which are derived from business plan projections of the Company. Business plan projections have been worked out using various assumptions which include projected market share of the Company's products. These calculations require the use of estimates.

The Company uses a discounted cash flow model to value intangible assets, which requires assumptions about the timing and amount of future cash inflows and outflow risk, the cost of capital and terminal value. A discount rate of 10% is used for the Model. Each of these assumptions is significant to the value of the intangible assets. The Company reviews intangible assets for impairment, if there is an indication of impairment or at least annually, in accordance with IAS 36 'Impairment of Assets'. A prolonged general economic downturn, new products, sustained government pressure on prices and specifically, competitive pricing, could create an imbalance of industry supply and demand, or otherwise diminish volumes or profits. Such events, combined with changes in interest rates, and changes to or the potential delay of the development project to which the intangible asset relates, could adversely affect the Company's valuation of the estimated future net cash flows generated by its intangible assets. As a result, future operating results could be materially and adversely affected by impairment charges related to the recoverability of intangible assets.

Even if the estimated pre-tax discount rate applied to the discounted cash flows for Pharmaceutical product had been 5% higher than management's estimates, with all other variables held constant, the Company would not have to recognise an impairment against intangible assets.

## Notes to the Financial Statements – Continued

### 4.2. Amortisation and useful economic lives

Intangible assets are recorded at their fair value at acquisition date and are amortised on a straight-line basis over their estimated useful economic lives from the time they are available for use. Any change in the estimated useful economic lives could affect the future results of the Company.

### 4.3. Functional currency

The Directors consider the suggested factors under IAS 21 that are relevant in determining the functional currency. The Company's functional currency is Euro. The directors will continue to monitor the changes in underlying economic environments with regard to functional currency in the future.

### 4.4. Deferred income tax

Deferred tax assets and liabilities require management judgement in determining the amounts to be recognised. In particular, significant judgement is used when assessing the extent to which deferred tax assets should be recognised with consideration given to the timing and level of future taxable income together with any future tax planning strategies.

## 5. Finance costs

	Period ended 30 Sep 2015 €'000	Year ended 31 Mar 2014 €'000
<i>Interest payable</i>		
Convertible Loan note interest payable	(91)	(56)
	<u>(91)</u>	<u>(56)</u>

## 6. Administrative expenses by nature

	Period ended 30 Sep 2015 €'000	Year ended 31 Mar 2014 €'000
Foreign exchange loss	1	-
Inspection Fees	8	-
Audit Fees *	22	35
Legal & Professional Fees	29	6
Analytical & Testing	6	-
Directors Fees	22	28
Other expenses	2	-
Total Operating expenses	<u>90</u>	<u>69</u>

\* There were no other fees paid to the Company's auditor for non-audit services.

## Notes to the Financial Statements – Continued

### 7. Employees, directors and key management

#### Employees

All employees at Ireland facility were made redundant as on 30 September 2015. On the last working day there were no employees in the Company pay roll. The Company presently has 2 Directors and their emolument is given below:

	Period ended 30 Sep 2015 Number	Year ended 31 Mar 2014 Number
Average number of employees, by activities		
Research and development/manufacturing	9	21
Administration	4	5
<b>Total</b>	<b>13</b>	<b>26</b>
Average number of directors	2	4

	Period ended 30 Sep 2015 Number €'000	Year ended 31 Mar 2014 Number €'000
Aggregate remuneration of Directors		
Emoluments	22	28
	<b>22</b>	<b>28</b>

	Period ended 30 Sep 2015 €'000	Year ended 31 Mar 2014 €'000
Salary cost:		
- Wages and salaries	1,274	1,166
- Social security cost	106	127
- Post employment benefit – defined contribution plans	-	73
- Other benefits	33	32

There are no post-employment benefits accruing to any executive director.

No fees were payable to third parties in respect of Directors' services for either year.

The above amounts for remuneration include the following in respect to the highest paid director:

	Period ended 30 Sep 2015 €'000	Year ended 31 Mar 2014 €'000
Emoluments	19	12
	<b>19</b>	<b>12</b>

## Notes to the Financial Statements – Continued

Aggregate remuneration of key management:

	Period ended 30 Sep 2015 €'000	Year ended 31 Mar 2014 €'000
Emoluments	22	28
	<b>22</b>	<b>28</b>

The key management figures given above include Executive and Non-Executive Directors only.

### 8. Post-employment benefits

The Company operated a defined contribution personal pension scheme for employees and Executive Directors. The total pension cost for the Company was €nil (2013-14: €73,508). The outstanding pension contributions as at 30 September 2015 were € nil (2013-14: €8,622.02) for continued and discontinued operations.

### 9. Income tax

The tax charge for the year was €nil (2013-14: €nil). The tax on the Company's losses before tax differs from the theoretical amount that would arise using the standard rate of corporation tax in the UK of 20.66% (2014:23%) and has been reconciled to the tax charge below.

	Period ended 30 Sept 2015 €'000	Year ended 31 Mar 2014 €'000
(Loss) for the period/ year	(13,535)	(3,989)
Loss on ordinary activities multiplied by the standard rate of corporation tax of 20.66% (2013: 23%)	(2,796)	(917)
Effects of:		
Expenses not deductible for tax purposes	-	-
Research & development tax relief	-	-
Difference between capital allowances and depreciation	(23)	(35)
Tax on loss on ordinary activities (Credit)/ Charge	-	-

	Period ended 30 Sept 2015 €'000	Year ended 31 Mar 2014 €'000
Deferred tax (Charge)/ Credit (see below)	(1,660)	196
Tax on loss on discontinued operations (Refer Note 23)	(1,660)	196

#### Deferred tax

The Company has charged all the deferred tax assets raised out of EPO operation in the Statement of Comprehensive Income as part of discontinued operations and for deferred tax arising out of trading operations the Company has not recognized the assets. The projections are on the same basis as those used for the impairment review of the intangible fixed assets (see 4.1 above).

A further potential deferred tax asset in the amount of € 8,547,071 (2014: €6,361,339) is not recognised, as on the basis of projections, it is not considered probable that sufficient taxable profits will be available in the foreseeable future to enable it to be recovered. These losses are available indefinitely.

## Notes to the Financial Statements – Continued

### Substantively Enacted tax rate

The UK Corporation tax fell to 20 per cent with effect from 1 April 2015 (previously per cent). Changes to the UK corporation tax rates were announced in the chancellor's budget on 8 July 2015. These include reductions to the main rate reduce the rate to 19 per cent from 1 April 2017 and to 18 per cent from 1 April 2020. As the changes had not been substantively enacted at the balance sheet date, their effects are not included in these financial statements.

### 10. Intangible assets

	Know-how €'000	Licence fee €'000	R&D costs €'000	Total €'000
<b>Year ended 31 March 2014</b>				
Opening net book amount	19	-	16,170	16,189
Amortisation charge <sup>1</sup>	(4)	-	(1,702)	(1,706)
<b>Closing net book amount</b>	<b>15</b>	<b>-</b>	<b>14,468</b>	<b>14,483</b>
<b>At 31 March 2014</b>				
Cost	48	81	17,021	17,150
Accumulated amortisation and impairment	(33)	(81)	(2,553)	(2,667)
<b>Net book amount</b>	<b>15</b>	<b>-</b>	<b>14,468</b>	<b>14,483</b>
<b>Period ended 30 September 2015</b>				
Opening net book amount	15	-	14,468	14,483
Additions during the Year <sup>4</sup>	-	1,650	-	1,650
Amortisation charge <sup>1</sup>	(4)	-	(2,553)	(2,557)
Write off of intangible asset (Refer note 4.1)	(11)	-	(11,915)	(11,926)
<b>Closing net book amount</b>	<b>-</b>	<b>1,650</b>	<b>-</b>	<b>1,650</b>
<b>At 30 September 2015</b>				
Cost	48	1,731	17,021	18,800
Accumulated amortisation	(37)	(81)	(5,106)	(5,224)
Write off of Intangible asset <sup>3</sup>	(11)	-	(11,915)	(11,926)
<b>Net book amount</b>	<b>-</b>	<b>1,650</b>	<b>-</b>	<b>1,650</b>

<sup>1</sup>Amortisation charge of €2.557 million (2013-14: €1.706 million) is included in the 'administrative expense' under discontinued operations' in the Statement of comprehensive income.

<sup>2</sup>There are no intangible assets with indefinite useful lives.

<sup>3</sup>The intangible Assets relating to EPO are written off during the period

<sup>4</sup>During the period, Company acquired rights from its parent company for Marketing Pharmaceuticals products in UK and Europe. The said cost of acquisition has been capitalised as 'Licence Fee'

## Notes to the Financial Statements – Continued

### 11. Property, plant and equipment

	Leasehold improvements / land and buildings €'000	Office equipment €'000	Fixtures and fittings €'000	Plant and machinery €'000	Total €'000
<b>Year ended 31 March 2014</b>					
Opening net book amount	63	71	47	132	313
Depreciation charge <sup>1</sup>	(19)	(12)	(12)	(53)	(96)
<b>Closing net book amount</b>	<b>44</b>	<b>59</b>	<b>35</b>	<b>79</b>	<b>217</b>
<b>At 31 March 2014</b>					
Cost	4,798	848	214	3,615	9,475
Accumulated depreciation and impairment	(4,754)	(789)	(179)	(3,536)	(9,258)
<b>Net book amount</b>	<b>44</b>	<b>59</b>	<b>35</b>	<b>79</b>	<b>217</b>
<b>Period ended 30 September 2015</b>					
Opening net book amount	44	59	35	79	217
Depreciation charge <sup>1</sup>	(23)	(17)	(14)	(37)	(91)
Net book amount of Assets Disposed (refer note 23)	(21)	(43)	(21)	(41)	(126)
<b>Closing net book amount</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 30 September 2015</b>					
Cost	4,798	848	214	3,615	9,475
Accumulated Depreciation of assets disposed (refer note 23)	(4,777)	(805)	(193)	(3,574)	(9,349)
Net book amount of Assets Disposed (refer note 23)	(21)	(43)	(21)	(41)	(126)
<b>Net book amount</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>1</sup>Depreciation expense of €0.091 million (2013-14: € 0.096 million) has been charged in administrative expense under discontinued operations in the Statement of Comprehensive Income. All assets relating to at the Ireland facility have been disposed of during the period (refer note 23). The only asset available is Lypholiser which is held at Third party location with M/s Gland Pharma and the asset is fully depreciated.

There is no finance lease rental expense relating to the lease of plant, machinery and equipment charged in the Statement of Comprehensive Income. Leasehold land and buildings are held under operating leases.

## Notes to the Financial Statements – Continued

### 12. Inventories

	30 Sep 2015 €'000	31 Mar 2014 €'000
Raw materials and consumables	91	568
	<u>91</u>	<u>568</u>

There is no material difference between the carrying value of inventories and their realisable value.

### 13. Trade and other receivables

	30 Sep 2015 €'000	31 Mar 2014 €'000
Trade receivables	111	100
Other receivables	234	3
Prepayments	5	104
	<u>350</u>	<u>207</u>

Trade receivables are non-interest bearing and are generally on up to 30 day terms.

As at 30 September 2015, there is no provision for impairment for trade receivables, as the directors believe that full amount will be recovered.

The directors consider that the carrying amount of other receivables approximates their fair value.

As at 30 September 2015, the aged analysis of trade receivables was as follows.

	Total €'000	Neither past due nor impaired <30 days €'000	Past due but not impaired > 30 days €'000
2015	111	111	-
2014	100	100	-

### 14. Trade and other payables

	30 Sep 2015 €'000	31 Mar 2014 €'000
<b>Current</b>		
Trade payables	165	987
Other payables	544	62
Accruals	178	146
Creditors for Capital Expenditure (related party)	1,650	-
Interest accrued on 4% convertible loan note	648	491
	<u>3,185</u>	<u>1,686</u>

The Company considers that the carrying amount of trade and other payables approximates their fair value.

Terms and conditions of the above financial liabilities: Trade payables are non-interest bearing and are settled in accordance with the terms and conditions agreed with suppliers, subject to those terms and conditions being fulfilled by the supplier. The average credit period on purchase of goods and services is 11 days (2013-14: 119 days). No

## Notes to the Financial Statements – Continued

interest is charged on the trade payables for the first 60 days from the date of the invoice. Other payables and accruals are non-interest bearing.

### Non-Current

	30 Sep 2015 €'000	31 Mar 2014 €'000
Interest accrued on 7% unsecured loan	-	3,488
	<u>-</u>	<u>3,488</u>

The interest on the unsecured loan reflects the current market rate, therefore, there is no fair value adjustment being made for 2013-14. During the current period the Parent Company (i.e. RLS BV) waived all the interest payable on the loan from the date of inception. No future interest will be charged by the Parent Company. The interest payable to the Parent Company aggregating to €3,488,000 as at the period-end has been treated as a capital contribution and credited to 'Capital Reserve' (Refer Note 18)

### 15. Borrowings

	30 Sep 2015 €'000	31 Mar 2014 €'000
<b>Current</b>		
4% convertible loan note due 2008	1,687	1,687
Equity component	(437)	(437)
Currency translation difference	(54)	(197)
Amortisation cost	106	106
	<u>1,302</u>	<u>1,159</u>

\*The Company is in discussion with the loan note holder with regard to settlement of the 4% €1.7 million (denominated in sterling for the amount of £ 1,177,442). The loan note was due in August 2008 and therefore has been included in current borrowings at 30 September 2015 and at 31 March 2014 (Refer Note 28).

The Equity Component of € 436,918 has been credited to Capital reserve – see Note 18. The loan note was originally convertible into 2,189,848 additional Ordinary Shares.

	30 Sep 2015 €'000	31 Mar 2014 €'000
<b>Non-current</b>		
7% unsecured loan*	14,136	14,158
	<u>14,136</u>	<u>14,158</u>

\* On 8 January 2010, the Company entered into a 7% unsecured loan agreement with RLS BV, the Parent Company. The above loan agreement went under a series of revisions based on Company's business plans for increasing the loan amount and tenure. As per current revision, the entire amount borrowed is repayable in three equal instalments on 31 March 2017, 2018 and 2019 therefore it is treated as Non-Current at 30 September 2015. Also refer note 14 for revision in interest terms.



## Notes to the Financial Statements – Continued

The following tables detail the Company's remaining contractual maturity for its borrowings. As required by IFRS 7, the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

### Maturity analysis of borrowings

	Less than 3 months €'000	Between 3-12 months €'000	Between 1-2 years €'000	Greater than 2 years €'000	Total €'000
<b>As at 30 September 2015</b>					
4% convertible loan note*	1,950	-	-	-	1,950
7% unsecured loan**	-	-	9,416	4,720	14,136
<b>Total borrowings</b>	<b>1,950</b>	<b>-</b>	<b>9,416</b>	<b>4,720</b>	<b>16,086</b>
<b>As at 31 March 2014</b>					
4% convertible loan note*	1,651	-	-	-	1,651
7% unsecured loan**	-	-	-	19,628	19,628
<b>Total borrowings</b>	<b>1,651</b>	<b>-</b>	<b>-</b>	<b>19,628</b>	<b>21,279</b>

\* The Company is in discussion with the note holder with regard to settlement and / or conversion of 4% €1,323,574 (denominated in sterling for the amount of £1,177,442), which fell due at 31 August 2008.

The amount reported in the Statement of Financial Position at 30 September 2015 of €1.950 million includes accrued interest, plus the movement on currency translation difference, less interest paid to that date.

\*\*The interest charged on the unsecured loan for the year is calculated by applying an effective interest rate of 7% for the year 2013-14. As the interest rate reflects the market rate on the date of entering into agreement, no fair value adjustment is made. See note 14 for further details

### Currency analysis of borrowings

All current borrowings are denominated in Pound Sterling for current period and in prior year. All non-current borrowings are denominated in Euro for current period and prior year.

### Interest rate analysis – effective rates

	30 Sep 2015	31 Mar 2014
	%	%
4% convertible loan note* (currency in Pound Sterling)	4	4
7% unsecured loan (currency in Euro)	7	7

\* 4% convertible loan note carries a weighted effective interest rate of 10%.

## Notes to the Financial Statements – Continued

### Fair value

The following table details the carrying amount of non-current liabilities and current liabilities, compared with the fair value.

	30 Sep 2015		31 Mar 2014	
	Carrying amount €'000	Fair value €'000	Carrying amount €'000	Fair value €'000
7% unsecured Loan (Non-Current Liability)	14,136	14,136	14,158	14,158
	<b>14,136</b>	<b>14,136</b>	<b>14,158</b>	<b>14,158</b>

At 30 September 2015 and 2014 the carrying value of financial assets and all other financial liabilities is approximate to fair value.

## 16. Share Capital and premium

### Authorised

The share capital of the Company is denominated in Pounds Sterling and the number of new shares issued is based on the cash receipt equivalent in Pounds Sterling. The nominal ordinary share price is translated to Euros at the Statement of Financial Position rate for presentation purposes.

The authorised share capital of the Company and the called-up and fully-paid amounts were as follows:

	Number of shares '000	Ordinary shares €'000	Share premium €'000	Total €'000
As at 31 March 2013 (€0.11/£0.10 per share)	190,495	26,412	41,601	68,013
As at 31 March 2014 (€0.11/£0.10 per share)	190,495	26,412	41,601	68,013
<b>As at 30 September 2015 (€0.11/£0.10 per share)</b>	<b>190,495</b>	<b>26,412</b>	<b>41,601</b>	<b>68,013</b>

All issued shares are fully paid.

## 17. Share-based payments

Share options granted under the unapproved scheme have a fixed price based on the market price at the date of the grant. The contractual life of the options is 10 years. Options cannot normally be exercised before the third anniversary of the date of the grant. For options granted to all directors and employees, the options are exercisable after the vesting period. Within three working days from exercising options, option holders have to pay the Company the total exercised option price by cheque.

### Equity-settled share-based payments

#### Employee Share Option Plan

	30 Sep 2015		31 Mar 2014	
	Number of options	WAEP* €	Number of options	WAEP* €
At the beginning of the period/ year	24,000	-	31,500	1.14
Options forfeited	(24,000)	-	(7,500)	-
At the end of the period/ year	-	-	24,000	1.14
Range of exercise prices €				1.03 to 1.52
Options exercisable at the end of period/ year				24,000

\* weighted average exercise price

## Notes to the Financial Statements – Continued

The options outstanding at 30 September 2015 had a weighted average exercise price of €nil and a weighted average remaining contractual life of nil years (2013-14: 0.41 years). All options have lapsed as on 30 September 2015 and Company has not issued any new Share options to employees.

The fair value of the options is estimated at the date of grant using the Black-Scholes pricing model. The following table gives the assumptions applied to the options granted in the respective periods shown.

	Period ended 30 Sep 2015	Year ended 31 Mar 2014
Weighted average share price (€)	-	1.20
Weighted average exercise price (€)	-	1.20
Expected volatility (%)	-	68%
Expected remaining life (years)	-	0.42
Risk-free interest rate (%)	-	2.86%
Expected dividend yield (%)	-	None
Weighted average fair value of shares (€)	-	0.214

The expected volatility is based on the historical volatility of the underlying security (calculated based on the standard deviation of the month to month logarithmic price returns expressed as an annual percentage for the period April to October 2012 since market price is not available post delisting of the company) adjusted for any expected changes to future volatility due to publicly available information until October 2012. The risk free interest rate is the yield on zero-coupon UK government bonds of a term consistent with the assumed option life.

All options have lapsed as on 30 September 2015 and Company has not issued any new share options to employees.

### 18. Other reserves

	Capital reserve <sup>i)</sup> €'000	Exchange reserve <sup>ii)</sup> €'000	Total other reserves €'000
Balance at 1st April 2013	437	(643)	(206)
Balance at 31 March 2014	437	(643)	(206)
<b>Addition during the period:</b>			
Contribution equivalent to interest accrued on loan taken from RLS BV (Refer note 14)	3,487	-	3,487
<b>Balance at 30 September 2015</b>	<b>3,924</b>	<b>(643)</b>	<b>3,281</b>

- i) Capital reserve is the equity element of convertible loan notes issued by the Company and waiver of cumulative interest due on the outstanding loan as the same is waived off by the parent company (RLS BV)

## Notes to the Financial Statements – Continued

- ii) Exchange reserve represents the cumulative foreign currency translation difference of the Company. The Company's functional currency changed to Euro (€) from GBP (£) and Euro (€) from 1 April 2008, The Exchange reserve was carried forward from 31 March 2008, as a result of the cumulative balance of functional currency being translated into presentation currency. Any movements on currency translation of non-monetary assets and liabilities and a change in functional currency will go to Other Comprehensive Income. Further details in Note 2.3.

### 19. Cash flow from operating activities

	Period ended 30 Sep 2015 €'000	Year ended 31 Mar 2014 €'000
(Loss) for the period/ year before taxation	(13,534)	(3,989)
Adjustments for:		
Finance costs	91	1,040
Foreign Exchange gain/Loss on finance cost	-	7
Gain on sale of property, plant and equipment	(1,691)	-
Write off of Intangible Assets	11,926	-
Depreciation of property, plant and equipment	91	96
Amortisation of intangible	2,557	1,706
<b>Operating cash flows before movement in working capital</b>	<b>(560)</b>	<b>(1,140)</b>
Decrease/(Increase) in inventories	476	(272)
(Increase) /Decrease in trade and other receivables	(147)	515
Increase in trade and other payables	1,548	844
<b>Cash from/(used in) operations</b>	<b>1,317</b>	<b>(53)</b>

### 20. Cash and cash equivalents

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months depending on the cash requirements of the Company and earn interest at the respective short-term deposit rate. The carrying amount of these assets approximates their fair value as at the Statement of Financial Position date.

For the purpose of the cash flow statement, cash and cash equivalents are cash at hand and in bank as Current Account and Deposit Account'. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement can be reconciled to the related items in the Statement of Financial Position as follows:

	30 Sep 2015 €'000	31 Mar 2014 €'000
Restricted cash (Note 2.9)	5	118
Cash at hand and in bank	1,629	48
	<b>1,634</b>	<b>166</b>

### 21. Commitments

The Company leases property and office equipment's under operating leases. The Company has sub-leased property to a third party. The rents payable under lease and receivable under sub-lease are subject to renegotiation at various intervals specified in the leases/sub-leases. The Company pays for substantially all of the insurance and maintenance and repair of these assets. In 2014-15, the Company has surrendered the rented property in the UK

## Notes to the Financial Statements – Continued

after negotiations with the owners of said property without any charge to the Company thereby reducing the long term commitments on account of operating lease. The said property was let out by the Company to a third party and was earning rent marginally above the amount of rent paid to the owner.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Buildings	
	30 Sep 2015	31 Mar 2014
	€'000	€'000
No later than 1 year	-	-
Later than 1 year and no later than 5 years	-	530
More than 5 Years	-	1,088
	-	1,618

### 22. Contingencies

The Company is involved in litigation with a third party resulting from the termination of a secondary manufacturing agreement. The Directors, supported by advice from the Company's legal team, expect that this matter will be successfully resolved without any payment and consequently no provision in respect of the matter is included in the financial statements. Additional disclosures are not given as the Directors believe that it would be seriously prejudicial to the Company's position in the matter to do so. Legal costs in relation to this matter have been expensed as incurred.

### 23. Discontinued Operations

In the month of April 2015, the Company in its meeting of its Board of Directors decided to stop its manufacturing operations at its Ireland facility and downsize the team and explore sale of the facility. During the current period, the Company received market authorisation for selling its oncology product Temozolomide in UK and won a Tender in UK. More applications are in pipeline for market authorisation for the company in Oncology Segment. Therefore the company is now focussing on trading of Pharmaceutical Oncology Product in UK and Europe.

The Company in September 2015 sold its Ireland facility to a veterinary biopharmaceuticals company.

The results of the discontinued operations (i.e. manufacturing business) included in the results for the current period are set out below. The comparative loss and cash flows from discontinued operations have been re-presented to include those operations classified as discontinued in the current year.

## Notes to the Financial Statements – Continued

	Period ended 30 Sep 2015 €'000	Year ended 31 Mar 2014 €'000
<b>Discontinued Operations</b>		
Revenue	2,291	1,337
Cost of Sales	(578)	(218)
<b>Gross Profit</b>	<b>1,713</b>	<b>1,119</b>
Changes in inventories	-	(272)
Employee Benefit expense	(1,413)	(1,398)
Depreciation, amortisation and impairment charges	(14,574)	(1,802)
Operating lease payments	(197)	(156)
Foreign exchange gain /(loss)	(166)	(42)
Other expenses	(422)	(322)
<b>Total</b>	<b>(16,772)</b>	<b>(3,992)</b>
Operating Loss	(15,059)	(2,873)
Profit on Sale of Assets	1,691	-
Finance Cost	-	(991)
<b>(Loss) before Taxation</b>	<b>(13,368)</b>	<b>(3,864)</b>
Taxation (Refer Note 9)	(1,660)	(196)
<b>(Loss) for the period/ year from discontinued operations</b>	<b>(15,028)</b>	<b>(4,060)</b>

## Cash Flow from Discontinued Operations

	Period ended 30 Sep 2015 €'000	Year ended 31 Mar 2014 €'000
Cash flows used in operating activity	(1,090)	(25)
Cash flows used in investing activity	1,931	37
Cash flows used in financing activity	(22)	-

## 24. Related party transactions

The immediate parent and ultimate controlling party respectively of the Company are Reliance Life Sciences BV (incorporated in Netherland) (RLS BV) and Reliance Life Sciences Private Limited (incorporated in India) (RLSPL).

### Trading transactions

During the period, the company made sales of EPO worth € 1.864 million (2013-14: € 1.236 million) and Royalty income of € 0.1 million to the group entities. RLSPL Purchased consumables worth € 0.119 million. RLSPL made a payment of €1.791 million including advance against sale of EPO. The Company purchased Intangible Property

## Notes to the Financial Statements – Continued

Right for €1.650 million from RLSPL. The balance due to RLSPL as on 30 September 2015 is €2.237 million (2013-14: €0.1 million).

### *Loans from related parties*

The cumulative interest due on the outstanding loan was waived off by the parent company and treated as a capital contribution. The Parent Company have decided not to charge any further interest till the loan is repaid. The outstanding balance on the loan account to RLS BV as on 31 March 2015 is €1.413 million (2014: € 1.764 million.)

### **25. Ultimate parent undertaking**

The ultimate parent company of Reliance GeneMedix Limited is Reliance Life Sciences Private Limited (RLSPL), which is incorporated and registered in India.

Reliance Life Sciences Private Limited is the only undertaking for which the financial statements of Reliance GeneMedix Limited are drawn up. These financial statements are not publicly available.

### **26. Note for change of year-end**

The Company decided to close the manufacturing facility at Ireland and make all employees redundant and ultimately sold the facility. In view of the said decision, the Board of Directors had decided to change the year end March 31, 2015 to September 30, 2015 and filed the appropriate forms with Companies House. Accordingly, the financial statements have been prepared for the period from April 1, 2014 to September 30, 2015.

### **27. Events after the Reporting Period**

There is no event after 30 September 2015 that requires disclosure or adjustment to these financial statements.

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