

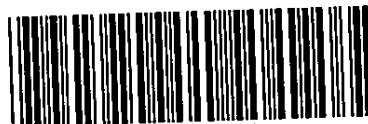
Company Registration No 04794962 (England and Wales)

IBA MOLECULAR UK LIMITED

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2011**

FRIDAY



L15RWSJE

LD5

30/03/2012

#192

COMPANIES HOUSE

IBA MOLECULAR UK LIMITED

COMPANY INFORMATION

Directors	M Yon X Defourt F Labarre
Secretary	Thomas Eggar Secretaries Limited
Company number	04794962
Registered office	The Corn Exchange Baffins Lane Chichester West Sussex PO19 1GE
Auditors	Alliotts Imperial House 15 Kingsway London WC2B 6UN

IBA MOLECULAR UK LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 13

IBA MOLECULAR UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and financial statements for the year ended 31 December 2011

Principal activities

The principal activity of the company is the production, marketing and distribution of radiopharmaceuticals

The company has two manufacturing sites at Dinnington, Yorkshire, and Guildford, Surrey, which supplied pharmaceutical products

On 1 November 2010, the Dinnington site was frozen due to the severe competitive environment

Directors

The following directors have held office since 1 January 2011

M Yon
X Defourt
F Labarre

Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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.

IBA MOLECULAR UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board

A handwritten signature in black ink, appearing to be 'M Yon', written over a horizontal line.

M Yon

Director

14 March 2012

IBA MOLECULAR UK LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF IBA MOLECULAR UK LIMITED

We have audited the financial statements of IBA Molecular UK Limited for the year ended 31 December 2011 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 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 set out on pages 1 - 2, 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 Directors' Report to identify material inconsistencies with the audited financial statements. 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 31 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the continuation of support from the parent undertaking. In view of the significance of this support, we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Opinion on other matter 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.

IBA MOLECULAR UK LIMITED

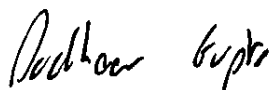
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF IBA MOLECULAR UK LIMITED

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report



Sudheer Gupta FCA (Senior Statutory Auditor)
for and on behalf of Alliotts

14 March 2012

Chartered Accountants
Statutory Auditor

Imperial House
15 Kingsway
London
WC2B 6UN

IBA MOLECULAR UK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
Turnover		4,709,770	4,246,418
Cost of sales		(3,286,023)	(3,004,979)
Gross profit		1,423,747	1,241,439
Administrative expenses		(5,726,432)	(2,100,247)
Operating loss	2	(4,302,685)	(858,808)
Interest payable and similar charges	3	(2,133)	(555,275)
Loss on ordinary activities before taxation		(4,304,818)	(1,414,083)
Tax on loss on ordinary activities	4	-	-
Loss for the year	12	(4,304,818)	(1,414,083)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

IBA MOLECULAR UK LIMITED

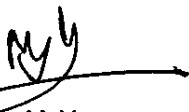
BALANCE SHEET

AS AT 31 DECEMBER 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Intangible assets	5	83,770		12,250	
Tangible assets	6	4,480,683		8,408,641	
		<u>4,564,453</u>		<u>8,420,891</u>	
Current assets					
Stocks		217,071		228,588	
Debtors	7	844,724		719,907	
Cash at bank and in hand		433,783		313,150	
		<u>1,495,578</u>		<u>1,261,645</u>	
Creditors: amounts falling due within one year	8	<u>(1,361,295)</u>		<u>(781,802)</u>	
Net current assets			<u>134,283</u>		<u>479,843</u>
Total assets less current liabilities			<u>4,698,736</u>		<u>8,900,734</u>
Creditors: amounts falling due after more than one year	9	<u>(102,820)</u>			<u>-</u>
		<u>4,595,916</u>		<u>8,900,734</u>	
Capital and reserves					
Called up share capital	11	23,173,157		23,173,157	
Profit and loss account	12	(18,577,241)		(14,272,423)	
Shareholders' funds		<u>4,595,916</u>		<u>8,900,734</u>	

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

Approved by the Board and authorised for issue on 14 March 2012


M Yon
Director

Company Number: 04794962

IBA MOLECULAR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements have been prepared on a going concern basis as the ultimate parent company has confirmed that it will provide sufficient funds to enable the company to meet its liabilities as they fall due for a period of at least 12 months after the date that the accounts have been approved and signed

1.2 Turnover

Turnover represents amounts receivable for goods supplied net of VAT and trade discounts

1.3 Intangible assets

These are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives of five years

1.4 Research and development

Development expenditure is written off to the profit and loss account in the year in which it is incurred except where development costs meet the criteria set out in SSAP 13. IBA Molecular monitors the level of product development costs against all the criteria set out in SSAP 13, which include the requirement to establish that a flow of economic benefits is probable before costs are capitalised and, if these criteria are met, the costs are capitalised. The level of costs incurred after these criteria have been met is currently insignificant.

The costs have not been amortised as commercial production has not yet started

1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	over 15 or 33 years
Land and buildings Leasehold	over 22 years
Fixtures, fittings & equipment	20% - 33% straight line

1.6 Stock

Stock is valued at the lower of cost and net realisable value

1.7 Revenue recognition

Revenue is recognised when it is probable that the economic benefits associated with a transaction will flow to the company and the amount of revenue and any associated costs incurred, or to be incurred, can be measured reliably.

1.8 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

IBA MOLECULAR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies (continued)

1.8 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.9 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.11 Impairment

All assets (other than goodwill, indefinite life intangible assets and intangible assets that are not yet ready for use) are required to be tested for impairment where there is an impairment indicator. Impairment losses are recognised, in accordance with FRS 11, if the recoverable amount of an asset has declined below its carrying amount. Recoverable amount is measured as the higher of an asset's fair value less costs to sell and its value in use.

2 Operating loss	2011 £	2010 £
Operating loss is stated after charging		
Amortisation of intangible assets	7,000	7,000
Depreciation of tangible assets	810,096	797,829
Impairment of fixed assets - building and plant	3,173,412	-
Auditors' remuneration	18,000	15,750
Directors' remuneration	111,167	107,793

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2010 - 1).

3 Interest payable	2011 £	2010 £
Included in interest payable is the following amount		
On amounts payable to group companies	2,133	555,275

IBA MOLECULAR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

4 Taxation

Factors affecting future tax charge

Deferred tax asset not provided in respect of timing differences and carry forward losses is as follows

	2011 £	2010 £
Capital allowances	(643,919)	(573,125)
Losses carried forward	4,517,811	4,195,678
	<u>3,873,892</u>	<u>3,622,553</u>

The deferred tax asset has not been provided as there is no certainty that there will be suitable taxable profits in the foreseeable future

The company has estimated losses of £ 17,376,198 (2010 - £ 16,137,225) available for carry forward against future trading profits

5 Intangible fixed assets

	Deferred development costs	Other intangible assets £	Total £
Cost			
At 1 January 2011	-	35,000	35,000
Additions	78,520	-	78,520
At 31 December 2011	<u>78,520</u>	<u>35,000</u>	<u>113,520</u>
Amortisation			
At 1 January 2011	-	22,750	22,750
Charge for the year		7,000	7,000
At 31 December 2011	<u>-</u>	<u>29,750</u>	<u>29,750</u>
Net book value			
At 31 December 2011	<u>78,520</u>	<u>5,250</u>	<u>83,770</u>
At 31 December 2010	<u>-</u>	<u>12,250</u>	<u>12,250</u>

IBA MOLECULAR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

6 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2011	8,710,861	1,955,793	10,666,654
Additions	111	55,439	55,550
At 31 December 2011	8,710,972	2,011,232	10,722,204
Depreciation			
At 1 January 2011	1,148,098	1,109,915	2,258,013
Impairment	3,023,155	150,257	3,173,412
Charge for the year	415,242	394,854	810,096
At 31 December 2011	4,586,495	1,655,026	6,241,521
Net book value			
At 31 December 2011	4,124,477	356,206	4,480,683
At 31 December 2010	7,562,763	845,878	8,408,641

On 31 October 2010 as a result of the competitive environment, the company suspended activity from its Dinnington site. No impairment was considered necessary at 31 December 2010, based on calculations carried out in early 2011. An impairment review has been carried out at 31 December 2011 based on the net present value of future income generated throughout the European market, from three new products. The share of the European market allocated to the UK is 11.3%, based on previous experience. The projections have been made over a period of 11 years from 2012 to 2022 inclusive, with production and sales commencing in 2015.

FRS 11 requires that growth rates are calculated with reference to the long-term average growth rate for the UK, unless there exist exceptional circumstances. The directors consider these circumstances to exist as the expensive nature of the production process and the co-operation of a major pharmaceutical company will allow the company to rapidly achieve a high market share and therefore a higher than average growth in sales.

The growth rate used is based on estimates of the amount of new patients eligible for treatment and the level of demand for those products based on a projected market share. The discount rate used was 11%, being the estimate of weighted average cost of capital for the company, adjusted for the particular risks associated with the company's operations.

The impairment review indicated that, for the period considered, the net book value exceeds both the net present value and the net realisable value. An impairment provision has been made in the profit and loss account based on the difference between the net book value and the higher of the net present value and net realisable value.

IBA MOLECULAR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

7 Debtors	2011 £	2010 £
Trade debtors	614,750	591,191
Amounts owed by group undertakings and undertakings in which the company has a participating interest	120,787	19,644
Other debtors	109,187	109,072
	<u>844,724</u>	<u>719,907</u>
8 Creditors: amounts falling due within one year	2011 £	2010 £
Bank loans and overdrafts	-	790
Trade creditors	124,124	229,831
Amounts owed to ultimate parent company and other group undertakings	810,774	351,527
Taxation and social security	188,988	30,488
Other creditors	237,409	169,166
	<u>1,361,295</u>	<u>781,802</u>
9 Creditors: amounts falling due after more than one year	2011 £	2010 £
Loans from group companies	<u>102,820</u>	<u>-</u>
Analysis of loans		
Not wholly repayable within five years other than by instalments	<u>102,820</u>	<u>-</u>
Loan maturity analysis		
In more than five years	<u>102,820</u>	<u>-</u>

IBA MOLECULAR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

10 Pension and other post-retirement benefit commitments

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2011 £	2010 £
Contributions payable by the company for the year	29,329	36,583

11 Share capital

	2011 £	2010 £
Allotted, called up and fully paid		
23,173,157 Ordinary shares of £1 each	23,173,157	23,173,157

12 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2011	(14,272,423)
Loss for the year	(4,304,818)
Balance at 31 December 2011	(18,577,241)

13 Financial commitments

At 31 December 2011 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2012:

	2011 £	2010 £
Operating leases which expire		
In over five years	138,000	129,000

IBA MOLECULAR UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2011**

14 Control

The ultimate parent undertaking and controlling party is Ion Beam Applications SA, a company incorporated in Belgium. Copies of the parent's consolidated financial statements may be obtained from Chemin du Cyclotron, 3 at B-1348 Louvain-la-Neuve, Belgium.

15 Post balance sheet events

In March 2012, 60% of the share capital of IBA Pharma S A is expected to be purchased by SK Capital Partners, a US based private investment firm.

16 Related party relationships and transactions

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly-owned subsidiary undertaking of the group.