

IBA MOLECULAR UK LIMITED

IBA MOLECULAR UK LIMITED

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2013**



IBA MOLECULAR UK LIMITED

COMPANY INFORMATION

Directors	M Yon
	F Labarre (Resigned 04/02/2014)
	J Keynejad
	H Marion (Appointed 04/02/2014)
Secretary	Thomas Eggar Secretaries Limited
Company number	04794962
Registered Office	The Corn Exchange Baffins Lane Chichester West Sussex PO19 1GE
Auditors	KPMG LLP 1 Forest Gate Brighton Road Crawley RH11 9PT

IBA MOLECULAR UK LIMITED

Contents

DIRECTORS' REPORT	1
INDEPENDENT AUDITOR'S REPORT	3
PROFIT AND LOSS ACCOUNT	5
BALANCE SHEET	6
NOTES TO THE FINANCIAL STATEMENTS	7

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and financial statements for the year ended December 2013.

Principal activities

The principal activity of the company is the marketing and distribution of radiopharmaceuticals.

Business Review

Turnover for continuing business has decreased by 8% to £2,526,263. The result for the year before the profit on the sale of the Photon Emission Tomography (PET) unit has also decreased with a loss for the year of £109,891 compared to a loss of £41,834 in the previous period. The position of the company at the year-end is shown on the balance sheet on page 6.

On 16 September 2013, the trade and business assets of the PET unit were sold to Alliance Medical Ltd for €4,500,000. Profit on the sale of the business was £815,447. The proceeds of this sale were transferred to a group company. They were used to repay an existing loan (see note 10) and to create a new loan (see note 8). The company is now focusing on its SPECT wholesale dealing business.

Directors

The following directors held office in 2013:

M Yon
F Labarre
J Keynejad

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 they have elected to prepare the financial statements in accordance with the Financial Reporting Standard for Smaller Entities and applicable law (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position

IBA MOLECULAR UK LIMITED

of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Statement of disclosure to the auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

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', with a long horizontal stroke extending to the right.

M Yon

Director

16th June 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IBA MOLECULAR UK LIMITED

We have audited the financial statements of IBA Molecular UK Limited for the year ended 31st December 2013 set out on pages 5 to 16. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (UK 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 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 set out on page 1, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 31st December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

IBA MOLECULAR UK LIMITED

- 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 and the directors' report, and to not prepare a strategic report, in accordance with the small companies regime.



Paul Gresham (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 Forest Gate

Brighton Road

Crawley

RH11 9PT

16 June 2014

IBA MOLECULAR UK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 £	2012 £
Continuing operations		2,526,264	2,747,220
Discontinued Operations		<u>1,586,960</u>	<u>2,252,057</u>
Turnover		4,113,224	4,999,277
Cost of Sales		(2,812,374)	(3,507,357)
Gross Profit		<u>1,300,850</u>	<u>1,491,920</u>
Administrative expenses		(1,598,112)	(1,997,687)
Continuing operations		(109,891)	(41,834)
Discontinued Operations		<u>(187,371)</u>	<u>(463,933)</u>
Operating Loss	2	(297,262)	(505,767)
Sale of PET Business	18	815,447	0
Interest receivable	3	8,863	0
Interest payable and similar charges	4	(26,734)	(33,101)
Loss on ordinary activities before Taxation		<u>500,314</u>	<u>(538,868)</u>
Tax on loss on ordinary activities	5	0	0
Profit for the year	14	<u>500,314</u>	<u>(538,868)</u>

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

IBA MOLECULAR UK LIMITED

BALANCE SHEET

		2013		2012	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	6		0		78,520
Tangible assets	7		35,862		4,069,630
			35,862		4,148,150
Current assets					
Stocks		17,673		188,542	
Debtors (£3,327,703 due in more than one year (2012: nil))	8	4,326,844		862,809	
Cash at bank and in hand		151,382		201,112	
		4,495,899		1,252,463	
Creditors: amounts falling due within one year	9	(491,132)		(1,011,180)	
Net current assets			4,004,767		241,283
Total assets less current liabilities			4,040,629		4,389,433
Creditors: amounts falling due after more than one year	10		0		(303,637)
Provision for Liabilities	11		(570,504)		(1,115,985)
			3,470,125		2,969,811
Capital and reserves					
Called up share capital	13		23,173,157		23,173,157
Profit and loss account	14		(19,703,032)		(20,203,346)
Shareholders' funds			3,470,125		2,969,811

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

Notes on pages 7 to 16 form
part of the Financial
Statements

Approved by the board and authorised for issue on 16th June 2014


M Yon
Director

AS AT 31 DECEMBER 2013

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

1 Accounting Policies

1.1 Accounting Convention

The financial statements are 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. The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities.

1.2 Turnover

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

Revenue is recognized when the product is delivered.

1.3 Intangible Assets

These are valued at cost less accumulated amortisation. Amortisation is calculated to write off the costs in equal annual installments 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 the 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 capitalized and, if these criteria are met, the costs are capitalized. The level of costs incurred after these criteria have been met is currently insignificant.

In 2013, the costs had not been amortised as commercial production had not started.

1.5 Tangible Fixed Assets and Appreciation

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 value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	over 15 to 33 years
Fixtures, fittings & Equipment	20% - 33% straight line

1.6 Stock

Stock is valued at the lower of cost and net recognised value.

IBA MOLECULAR UK LIMITED

1.7 Pensions

The company operated 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.

1.8 Taxation

The charge for taxation is based on the profit/loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, discounted where material, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRSEE.

1.9 Foreign Currency Transaction

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 the profit and loss account.

1.10 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 recognized, in accordance with FRSEE, 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.

1.11 Decommissioning provision

A decommissioning provision is recognized when a site is constructed to provide for the expected costs payable to decommission it in accordance with the lease agreements and local regulatory requirements.

The provisions are calculated by management with reference to the work of external experts in the field and are discounted to reflect the time value of money where this is considered material. See note 11.

2 Operating Loss

	2013	2012
	£	£
Operating loss is stated after charging:		
Amortisation of intangible assets	-	2,917
Depreciation of tangible assets	232,023	451,498
Audit of these Financial Statements	23,175	22,500
Auditor's fees - other tax advisory services	10,000	-
Directors' remuneration	83,624	79,718
Directors pension	5,207	5,143

IBA MOLECULAR UK LIMITED

3 Interest Receivable

	2013	2012
	£	£
Included in interest payable is the following amount:		
On amounts payable to group companies	8,727	-
On amounts from third parties	136	
	<hr/> 8,863	<hr/> -

4 Interest Payable

	2013	2012
	£	£
Included in interest payable is the following amount:		
On amounts payable to group companies	3,419	4,353
Unwinding of discounted amount	23,315	28,748
	<hr/> 26,734	<hr/> 33,101

IBA MOLECULAR UK LIMITED

5 Taxation

Factors affecting the tax charge for the current year

The current tax credit for the year is lower (2012: lower) than the standard rate of corporation tax in the UK of 23.5% (2012: 24.5%). The differences are explained below:

	2013	2012
	£	£
Current tax reconciliation		
Profit /(Loss) on ordinary activities before tax	500,314	(538,868)
Current tax reconciliation at 23.5% (2012: 24.5%)	117,573	(132,022)
Effects of:		
Expenses not deductible for tax purposes	354	-
Depreciation in excess of capital allowances	15,563	(54,768)
Non Taxable income	(185,584)	-
Tax losses carried forward	52,094	186,790
Total current tax	-	-

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The deferred tax [asset/liability] at 31 December 2013 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

Factors affecting future tax charge

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

	2013	2012
	£	£
Capital allowances	143,238	(677,959)
Losses carried forward	3,538,618	4,039,487
	3,681,856	3,361,528

IBA MOLECULAR UK LIMITED

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 £17,693,090 (2012: £17,562,989) available for carry forward against future trading profits.

6 Intangible Fixed Assets

	Deferred Other Development Costs £	Total £
Cost		
At 1 January 2013	78,520	78,520
Disposals	(78,520)	(78,520)
At 31 December 2013	-	-
Amortisation		
At 1 January 2013	-	-
Charge for the year	-	-
At 31 December 2013	-	-
Net book value		
At 31 December 2013	-	-
At 31 December 2012	78,520	78,520

IBA MOLECULAR UK LIMITED

7 Tangible Fixed Assets

	Land and Buildings	Plant and Machinery etc.	Total
	£	£	£
Cost			
At 1 January 2013	8,710,972	2,051,677	10,762,649
Additions	-	38,041	38,041
Disposals	(8,710,972)	(2,049,465)	(10,760,437)
At 31 December 2013	-	40,253	40,253
Depreciation			
At 1 January 2013	4,818,913	1,874,106	6,693,019
Charge for the year	164,284	67,739	232,023
Disposals	(4,983,197)	(1,937,454)	(6,920,651)
At 31 December 2013	-	4,391	4,391
Net book value			
At 31 December 2013	-	35,862	35,862
At 31 December 2012	3,892,059	177,571	4,069,630

IBA MOLECULAR UK LIMITED

8 Debtors

	2013	2012
	£	£
Trade Debtors	399,539	642,603
Amounts owed by group undertakings and undertakings in which the company has a participation interest. Included within is £3,327,703 due in more than one year (2012: nil)	3,330,491	113,780
Other Debtors	596,814	106,426
	<hr/> 4,326,844	<hr/> 862,809

Included within Other Debtors is £570,504 due in more than one year, see note 11 (2012: nil)

9 Creditors: Amounts Falling Due Within One Year

	2013	2012
	£	£
Trade Creditors	62,468	109,296
Amounts owed to ultimate parent company and other group undertakings	46,167	528,721
Taxation and social security	144,689	205,914
Other creditors	237,808	167,249
	<hr/> 491,132	<hr/> 1,011,180

IBA MOLECULAR UK LIMITED

10 Creditors: Amounts Falling Due After More Than One Year:

	2013	2012
	£	£
Loans from group companies	-	303,637
Analysis of Loans		
Not wholly repayable within five years	-	303,637
Loan Maturity Analysis		
In more than five years	-	303,637

11 Provisions for liabilities

	2013	2012
	£	£
At beginning of year as restated	1,115,985	1,087,237
Unwinding of discounted amount	23,315	28,748
Disposal on sale of PET trade and assets at the Dinnington site	(568,796)	-
At end of year	570,504	1,115,985

The decommissioning provision reflects the expected costs payable by the company to decommission its owned and leased radiopharmaceuticals production and storage sites in accordance with their lease agreements and local regulatory requirements.

The company expects to utilize the provision in 10-13 years' time however the exact timing will depend on the life of the cyclotrons in these locations.

The provisions have been calculated by management with reference to the work of external experts in the field and have been discounted to reflect the time value of money where this is considered material.

The remaining provision relates to the Guildford site for which the company still holds the lease. The site is sub-let to Alliance Medical Ltd and an asset has been created to offset this provision (see note 8)

IBA MOLECULAR UK LIMITED

12 Pension and Other Post-Retirement Benefit Commitments

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 contribution payable by the company to the fund.

	2013	2012
	£	£
Contributions payable by the company for the year	24,125	30,947

13 Share Capital

	2013	2012
	£	£
Allotted, Called Up and Fully Paid		
23,173,157 Ordinary shares of £1 each	23,173,157	23,173,157

14 Statement of Movements on Profit and Loss Account

	2013	2012
	£	£
Balance at 1 January	(20,203,346)	(19,664,478)
Profit/Loss for the year	500,314	(538,868)
Balance at 31 December	(19,703,032)	(20,203,346)

15 Financial Commitments

At 31 December 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2014:

	2013	2012
	£	£
Operating leases which expire:		
In over five years	138,000	138,000

16 Control

The ultimate parent undertaking and controlling party is Rose Holdings S.a.r.l., a company incorporated in Luxembourg.

The largest group in which the results of the Company are consolidated is that headed by Rose Holdings S.a.r.l. incorporated in Luxembourg. The consolidated financial statements of these groups are available to the public and may be obtained at the address of the company which registered office is 19, rue de Bitbourg, L-1273 Luxembourg, Grand-Duche du Luxembourg.

17 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.

18 Sale of PET business

On 16 September 2013, the trade and business assets of the PET unit were sold to Alliance Medical Ltd for the sum of €4,500,000.