

Registration number: 05370591

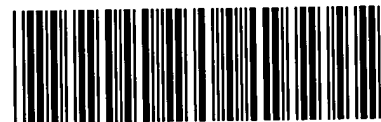
# Piramal Healthcare UK Limited

Directors' Report and Financial Statements

for the Period from 31 December 2014 to 31 December 2015

KNAV UK Limited  
Kajaine House  
57-67 High Street  
Edgware  
HA8 7DD

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**Piramal Healthcare UK Limited**  
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## **Piramal Healthcare UK Limited**

### **Company Information**

<b>Directors</b>	Mr A Walker Mr W Wedlake Mr V Valsaraj
<b>Company secretary</b>	Mr R Laddha
<b>Registered office</b>	Whalton Road Morpeth Northumberland NE61 3YA
<b>Auditors</b>	KNAV UK Limited Kajaine House 57-67 High Street Edgware HA8 7DD

**Piramal Healthcare UK Limited**  
**Strategic Report for the Period from 31 December 2014 to 31 December 2015**

The directors present their strategic report for the period from 31 December 2014 to 31 December 2015.

**Business review**

***Fair review of the business***

The profit for the year, after taxation, amounted to £4,172,069 (2014: £1,026,402).


Profits have increased from the previous year driven by increased turnover and improved gross profit margins, including growth in ADCs at the Grangemouth site. The directors expect this improvement to continue in 2016 and in future years.

Strong operational cashflows enabled short term debt (Overdraft /Invoice Finance) to be reduced by over £5m during the year.

***Principal risks and uncertainties***

The directors monitor performance through the production of management accounts on a monthly basis. Additionally, the directors monitor key performance indicators on a monthly basis to ensure they are within acceptable parameters. These include gross margins, operating profits, earnings before interest, tax, working capital, customer service and cash flows from operating activities.

Approved by the Board on 21/04/2016 and signed on its behalf by:

  
.....  
Mr A Walker  
Director

**Piramal Healthcare UK Limited**  
**Directors' Report for the Period from 31 December 2014 to 31 December 2015**

The directors present their report and the financial statements for the period from 31 December 2014 to 31 December 2015.

**Directors of the company**

The directors who held office during the period were as follows:

Mr R Laddha (resigned 11 April 2016)

Mr A G Piramal (resigned 7 April 2016)

Ms N Piramal (resigned 7 April 2016)

Mr A Walker

The following directors were appointed after the period end:

Mr W Wedlake (appointed 7 April 2016)

Mr V Valsaraj (appointed 7 April 2016)

**Financial instruments**

***Objectives and policies***

The directors make use of the ultimate parent company's risk management team to monitor and where possible mitigate the risks faced by the business. This includes credit risk, foreign exchange risk and interest rate risks. Foreign exchange risks are managed by utilising forward currency contracts, notably between the US dollar and sterling. The company has interest rate exposure on its long term debt and is mitigating this by paying down large proportions when LIBOR is at a low level.

***Price risk, credit risk, liquidity risk and cash flow risk***

The directors monitor performance through the production of management accounts on a monthly basis.

**Research and development**

The company is committed to a program of continued improvement of the existing product range.

**Important post balance sheet events**

On 22 March 2016, the immediate parent undertaking, Piramal Holdings (Suisse) SA, transferred its entire share holding in the company to Piramal Dutch Holdings N.V.

**Disclosure of information to the auditor**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditor is unaware of.

**Disabled employees**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employee.

## **Piramal Healthcare UK Limited**

### **Directors' Report for the Period from 31 December 2014 to 31 December 2015**

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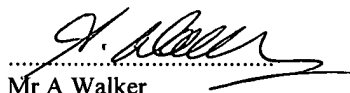
#### **Employee consultations**

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings. The employees (or their representatives) are consulted regularly on wide range of matters affecting their current and future interests.

#### **Reappointment of auditors**

The auditors KNAV UK Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 21/04/2016 and signed on its behalf by:

  
.....

Mr A Walker  
Director

## **Piramal Healthcare UK Limited**

### **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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent Auditor's Report to the Members of Piramal Healthcare UK Limited**

We have audited the financial statements of Piramal Healthcare UK Limited for the period from 31 December 2014 to 31 December 2015, set out on pages 8 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with 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 Statement of Directors' Responsibilities (set out on page 5), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements 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 the 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 2015 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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



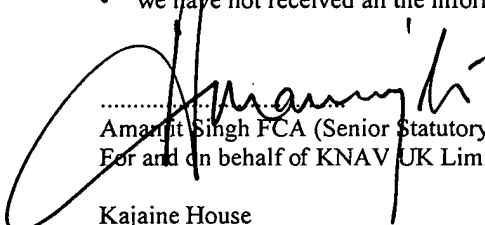
**Independent Auditor's Report to the Members of  
Piramal Healthcare UK Limited**

..... *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.



.....  
Amanjit Singh FCA (Senior Statutory Auditor)  
For and on behalf of KNAV UK Limited, Statutory Auditor

Kajaine House  
57-67 High Street  
Edgware  
HA8 7DD

Date: 21/04/2016

**Piramal Healthcare UK Limited**

**Profit and Loss Account for the Period from 31 December 2014 to 31 December 2015**

		<b>31 December 2014 to 31 December 2015 £</b>	<b>1 January 2014 to 30 December 2014 £</b>
Turnover	2	75,467,370	68,744,018
Cost of sales		<u>(32,885,223)</u>	<u>(32,306,267)</u>
Gross profit		<u>42,582,147</u>	<u>36,437,751</u>
Distribution costs		<u>(685,863)</u>	<u>(842,428)</u>
Administration expenses - normal		(36,829,975)	(31,852,255)
Administration expenses - exceptional	5	<u>-</u>	<u>(718,921)</u>
Administrative expenses		(36,829,975)	(32,571,176)
Other operating income		<u>37,303</u>	<u>42,922</u>
Operating profit	3	5,103,612	3,067,069
Interest payable and similar charges	8	<u>(903,873)</u>	<u>(746,453)</u>
Profit on ordinary activities before taxation		4,199,739	2,320,616
Tax on profit on ordinary activities	9	<u>(27,670)</u>	<u>(1,294,214)</u>
Profit for the financial period	18	<u><u>4,172,069</u></u>	<u><u>1,026,402</u></u>

Turnover and operating profit derive wholly from continuing operations.

The notes on pages 11 to 28 form an integral part of these financial statements.


**Piramal Healthcare UK Limited**  
**Statement of Total Recognised Gains and Losses for the Period from 31 December 2014**  
**to 31 December 2015**

		31 December 2014 to 31 December 2015 £	1 January 2014 to 30 December 2014 £
	Note		
Profit for the financial period		4,172,069	1,026,402
Actuarial loss recognised on defined benefit pension scheme	20	<u>(745,000)</u>	<u>(697,000)</u>
Total recognised gains and losses relating to the period		<u><u>3,427,069</u></u>	<u><u>329,402</u></u>

**Piramal Healthcare UK Limited**  
**(Registration number: 05370591)**  
**Balance Sheet at 31 December 2015**

	Note	31 December 2015 £	30 December 2014 £
<b>Fixed assets</b>			
Tangible fixed assets	11	22,021,625	20,743,224
<b>Current assets</b>			
Stocks	13	19,451,188	16,968,710
Debtors	14	19,163,583	15,762,274
Deferred tax	9	4,944,000	4,944,000
Cash at bank and in hand		1,818,309	449
		45,377,080	37,675,433
Creditors: Amounts falling due within one year	15	(31,594,094)	(24,897,645)
Net current assets		13,782,986	12,777,788
Total assets less current liabilities		35,804,611	33,521,012
Creditors: Amounts falling due after more than one year	16	(8,999,997)	(9,999,997)
Pension asset	20	558,400	414,930
Net assets		27,363,014	23,935,945
<b>Capital and reserves</b>			
Called up share capital	17	17,672,501	17,672,501
Profit and loss account	18	9,690,513	6,263,444
Equity shareholders' funds	19	27,363,014	23,935,945

Approved and authorised for issue by the Board on 21/04/16 and signed on its behalf by:

  
 .....  
 Mr A Walker  
 Director

## **Piramal Healthcare UK Limited**

### **Notes to the Financial Statements for the Period from 31 December 2014 to 31**

**December 2015**

#### **1 Accounting policies**

##### **Basis of preparation**

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

##### **Consolidation**

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the non-EEA and in accordance with Section 401 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts. The accounts therefore present information about the company as an individual undertaking and not about its group.

##### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the company is a wholly owned subsidiary and its ultimate parent, Piramal Enterprises Limited (see note 25) publishes a consolidated cash flow statement.

##### **Turnover**

The turnover shown in the profit and loss account represents income recognised during the year, exclusive of Value Added Tax, in line with the company's revenue policy to recognise revenue at the point where title of the goods passes.

##### **Government grants**

Government grants on capital expenditure are credited to a deferred account and are released to profit and loss account over the expected useful lives of the relevant assets once it is put to use.

Grants of a revenue nature are credited to profit and loss account in the period to which they relate.

##### **Amortisation**

Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill if the fair value can be reliably measured on initial recognition. Intangible assets are amortised on a straight line basis over their estimated useful economic lives. The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

##### **Depreciation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Buildings	Straight line over 10 years and 33 years
Plant, machinery and equipment	Straight line over 10 years and 12 years

Land and assets in the course of construction are not depreciated. The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

**Piramal Healthcare UK Limited**  
**Notes to the Financial Statements for the Period from 31 December 2014 to 31**  
**December 2015**

..... *continued*

**Research and development**

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

**Stock and work in progress**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at forward rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate.

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**Invoice financing**

Amounts due in respect of invoice financing are separately disclosed as current liabilities. The company can use these facilities to draw down a percentage of the value of certain sales invoices. The management and collection of trade receivables remains with the company.

**Provisions**

Provisions are recognised when a present obligation exists as a result of a past event, if it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the obligation.

## **Piramal Healthcare UK Limited**

### **Notes to the Financial Statements for the Period from 31 December 2014 to 31 December 2015**

*..... continued*

#### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Environmental liabilities**

The company is exposed to environmental liabilities relating to operations, principally in respect of soil and groundwater remediation costs. Provisions for these costs are made when expenditure on remedial work is probable and the cost can be estimated within a reasonable range of possible outcomes.

#### **Pensions**

The company operates both Defined Benefit and Defined Contribution scheme. The assets of the schemes are held separately from those of the company. In the case of defined benefit schemes, assets are measured using market values. Liabilities are measured using a project unit method and discounted at the current rate of return of high quality corporate bond of equivalent term and currency. Costs and liabilities are assessed in accordance with the advice of independent qualified actuaries. The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses. In the case of Defined Contribution schemes, the amount charged to profit and loss account represents the contributions payable to the scheme in the period.

## **2 Turnover**

The turnover and profit before tax are attributable to the one principal activity of the company.

During the period 88.24% of the company's turnover related to exports (2014 - 89.36%).

An analysis of turnover by geographical location is given below:

	<b>31 December 2014 to 31 December 2015 £</b>	<b>1 January 2014 to 30 December 2014 £</b>
Sales - UK	8,871,903	7,313,571
Sales - Europe	27,855,042	24,749,588
Sales - Rest of world	38,740,425	36,680,859
	<u>75,467,370</u>	<u>68,744,018</u>

**Piramal Healthcare UK Limited**  
**Notes to the Financial Statements for the Period from 31 December 2014 to 31**  
**December 2015**

..... *continued*

**3 Operating profit**

Operating profit is stated after charging/(crediting):

	<b>31 December 2014 to 31 December 2015 £</b>	<b>1 January 2014 to 30 December 2014 £</b>
Hire of plant and machinery	128,328	148,244
Operating leases - land and buildings	148,575	146,545
Operating leases - plant and machinery	149,034	142,917
Net foreign currency gains	(920,399)	(70,096)
Exceptional items (note 5)	-	718,921
Depreciation of owned assets	1,808,355	1,389,133
Amortisation of intangibles (note 10)	-	265,548
Auditor's remuneration (note 4)	<u>87,150</u>	<u>71,250</u>

**4 Auditor's remuneration**

	<b>31 December 2014 to 31 December 2015 £</b>	<b>1 January 2014 to 30 December 2014 £</b>
Audit of the financial statements	<u>40,650</u>	<u>44,000</u>
<b>Fees payable to the company's auditor and its associates for other services:</b>		
Other assurance services	41,750	23,750
Other services	<u>4,750</u>	<u>3,500</u>
	<u>46,500</u>	<u>27,250</u>
	<u>87,150</u>	<u>71,250</u>

The total auditor's remuneration for the audit of associates of the company is £42,500 (2014: £39,200).



**Piramal Healthcare UK Limited**

**Notes to the Financial Statements for the Period from 31 December 2014 to 31  
December 2015**

..... *continued*

**5 Exceptional items**

	<b>31 December 2014 to 31 December 2015 £</b>	<b>1 January 2014 to 30 December 2014 £</b>
Impairment of fixed assets	-	718,921
Within administrative expenses	-	718,921

In the previous year, management impaired the Haemacel intangible asset, reducing the asset's net book value to £Nil.

The above exceptional item has the following aggregate tax effect:

	<b>2015 £</b>	<b>2014 £</b>
Decrease in tax charge	-	154,496

**6 Particulars of employees**

The average monthly number of persons employed by the company (including directors) during the period, analysed by category was as follows:

	<b>31 December 2014 to 31 December 2015 No.</b>	<b>1 January 2014 to 30 December 2014 No.</b>
Administration and support	54	49
Production	477	438
Research and development	3	4
Sales, marketing and distribution	9	11
	<u>543</u>	<u>502</u>

The aggregate payroll costs were as follows:

**Piramal Healthcare UK Limited**

**Notes to the Financial Statements for the Period from 31 December 2014 to 31**

**December 2015**

*..... continued*

	<b>31 December 2014 to 31 December 2015 £</b>	<b>1 January 2014 to 30 December 2014 £</b>
Wages and salaries	24,283,638	20,554,054
Social security costs	2,110,785	1,849,826
Staff pensions	1,760,322	1,499,407
	<u>28,154,745</u>	<u>23,903,287</u>

**7 Directors' remuneration**

The directors' remuneration for the period was as follows:

	<b>31 December 2014 to 31 December 2015 £</b>	<b>1 January 2014 to 30 December 2014 £</b>
Remuneration	206,461	176,194
Company contributions paid to money purchase schemes	<u>17,413</u>	<u>15,212</u>

Emoluments are paid to one director and therefore the above represents amounts in respect of the highest paid director.

**8 Interest payable and similar charges**

	<b>31 December 2014 to 31 December 2015 £</b>	<b>1 January 2014 to 30 December 2014 £</b>
Interest payable to fellow group undertaking	380,834	443,468
Interest payable on bank overdraft	667,039	452,985
Pension finance credit (note 20)	<u>(144,000)</u>	<u>(150,000)</u>
	<u>903,873</u>	<u>746,453</u>

**Piramal Healthcare UK Limited**

**Notes to the Financial Statements for the Period from 31 December 2014 to 31**

**December 2015**

..... *continued*

**9 Taxation**

**(a) Tax on profit on ordinary activities**

	<b>31 December 2014 to 31 December 2015 £</b>	<b>1 January 2014 to 30 December 2014 £</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	1,292,294
Deferred tax relating to FRS 17	27,670	1,920
<b>Total deferred tax</b>	<u>27,670</u>	<u>1,294,214</u>

**(b) Factors affecting current tax charge for the period**

Tax on profit on ordinary activities for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%).

The differences are reconciled below:

	<b>31 December 2014 to 31 December 2015 £</b>	<b>1 January 2014 to 30 December 2014 £</b>
Profit on ordinary activities before taxation	4,199,739	2,320,616
Corporation tax at standard rate	850,388	498,700
Capital allowances less than depreciation	(794,118)	(1,056,015)
Other timing differences	(39,229)	(6,773)
Expenses not deductible for tax purposes	5,040	5,863
Losses utilised during the year	162,180	716,210
Defined benefit scheme timing differences	(33,410)	(739,411)
Amounts (charged) / credited directly to STRGL or otherwise transferred	(150,851)	581,426
<b>Total current tax</b>	<u>-</u>	<u>-</u>

# **Piramal Healthcare UK Limited**

## **Notes to the Financial Statements for the Period from 31 December 2014 to 31**

**December 2015**

*..... continued*

### **(c) Factors that may affect future tax charges**

The company has tax losses of £34,821,509 (2014: £33,697,579) carried forward for use against future profits of the same trade, plus non trade loan relationship debits of £859,066 (2014: £859,066) carried forward for use against future non-trading. Capital allowances have been claimed on eligible expenditure amounting to £5,604,147 (2014: £6,249,232). The company expects to be able to claim capital allowances in excess of depreciation in future years. Further short term timing differences exist at the year end which amount to £66,608 (2014: £595).

Deferred tax assets have been recognised in respect of the utilisation of tax losses, as the directors consider that it is more likely than not there will be suitable taxable profits arising from which the future reversal of the underlying timing differences can be deducted. The total deferred tax asset recognised in respect of 2015 is £4,944,000 (2014: £4,944,294). Deferred tax assets of £2,020,302 (2014: £1,795,222) have not been recognised as they do not meet the recognition criteria of FRS19.

### **(d) Provision for deferred tax asset/(liability) has been made as follows:**

	<b>31 December 2015 £</b>	<b>30 December 2014 £</b>
Unutilised losses carried forward	<u>4,944,000</u>	<u>4,944,294</u>

### **10 Intangible fixed assets**

	<b>£</b>
<b>Cost</b>	
At 31 December 2014	<u>1,554,425</u>
At 31 December 2015	<u>1,554,425</u>
<b>Amortisation</b>	
At 31 December 2014	<u>1,554,425</u>
At 31 December 2015	<u>1,554,425</u>
<b>Net book value</b>	
At 31 December 2015	<u>-</u>
At 30 December 2014	<u>-</u>

The intangible asset relates to the purchase of the customer database, distribution agreements and market authorisations for the Haemaccel brand, a plasma expander.

**Piramal Healthcare UK Limited**  
**Notes to the Financial Statements for the Period from 31 December 2014 to 31**  
**December 2015**

..... *continued*

**11 Tangible fixed assets**

	Freehold land and buildings £	Plant & machinery under construction £	Plant and machinery £	Total £
<b>Cost</b>				
At 31 December 2014	8,644,846	2,930,856	16,964,476	28,540,178
Transfer/adjustments	-	(3,856,505)	3,856,505	-
Additions	-	3,086,756	-	3,086,756
Disposals	-	-	(359,775)	(359,775)
At 31 December 2015	<u>8,644,846</u>	<u>2,161,107</u>	<u>20,461,206</u>	<u>31,267,159</u>
<b>Depreciation</b>				
At 31 December 2014	728,859	-	7,068,095	7,796,954
Charge for the period	91,246	-	1,717,109	1,808,355
Disposals	-	-	(359,775)	(359,775)
At 31 December 2015	<u>820,105</u>	<u>-</u>	<u>8,425,429</u>	<u>9,245,534</u>
<b>Net book value</b>				
At 31 December 2015	<u>7,824,741</u>	<u>2,161,107</u>	<u>12,035,777</u>	<u>22,021,625</u>
At 30 December 2014	<u>7,915,987</u>	<u>2,930,856</u>	<u>9,896,381</u>	<u>20,743,224</u>

**12 Investments**

The company owns 100% of the issued share capital of the following company registered in England:

Subsidiary undertaking	Principal activity
Piramal Healthcare Pension Trustees Limited	Dormant

**Piramal Healthcare UK Limited**

**Notes to the Financial Statements for the Period from 31 December 2014 to 31**

**December 2015**

*..... continued*

**13 Stocks**

	<b>31 December 2015 £</b>	<b>30 December 2014 £</b>
Raw materials	10,288,200	10,439,523
Work in progress	6,932,489	4,482,916
Finished goods	2,230,499	2,046,271
	<u>19,451,188</u>	<u>16,968,710</u>

**14 Debtors**

	<b>31 December 2015 £</b>	<b>30 December 2014 £</b>
Trade debtors	16,879,757	12,840,951
Amounts owed by fellow group undertakings	1,286,169	1,255,309
Other debtors	45,791	777,234
Prepayments and accrued income	951,866	888,780
	<u>19,163,583</u>	<u>15,762,274</u>

**Piramal Healthcare UK Limited**  
**Notes to the Financial Statements for the Period from 31 December 2014 to 31**  
**December 2015**

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**15 Creditors: Amounts falling due within one year**

	31 December 2015 £	30 December 2014 £
Trade creditors	1,386,284	1,870,558
Bank overdrafts (a)	2,259,006	3,790,413
Current instalments on bank loan (b)	1,000,000	-
Invoice financing facilities (c)	-	2,323,086
Amounts owed to ultimate group undertaking	825,585	2,069,565
Amounts owed to immediate parent undertaking	248,626	1,222,654
Amounts owed to fellow group undertakings	4,630,570	1,555,794
Loan from fellow group undertaking (d)	8,060,000	5,750,000
Other taxes and social security	2,444,819	906,252
Other creditors	767,570	178,472
Accruals and deferred income	9,971,634	5,230,851
	<u>31,594,094</u>	<u>24,897,645</u>

(a) Bank overdraft of £2,259,006 (2014 - £3,790,413) is secured by fixed charge over the freehold and leasehold property of the company. The charge contains a negative pledge. In addition the ultimate parent company, Piramal Enterprises Limited has also provided a guarantee to the bank.

(b) The bank loan of £9,999,997 (2014: £9,999,997) is secured by fixed charge over the freehold and leasehold property of the company, and is repayable by 31 December 2020. The loan bears interest at 2.10% over LIBOR. The charge contains a negative pledge. In addition the ultimate parent company, Piramal Enterprises Limited has also provided a guarantee to the bank.

(c) The invoice financing facility is secured by a fixed and floating charge over the freehold and leasehold property and all other assets owned by the company.

(d) The loan from fellow group undertaking of £8,060,000 (2014: £5,750,000) is unsecured and bears interest at 6.5%.

**16 Creditors: Amounts falling due after more than one year**

	31 December 2015 £	30 December 2014 £
Bank loans (see note 15 (b))	<u>8,999,997</u>	<u>9,999,997</u>

**Piramal Healthcare UK Limited**

**Notes to the Financial Statements for the Period from 31 December 2014 to 31**

**December 2015**

..... *continued*

Amounts falling due:	2015	2014
	£	£
Within 1 year (note 15)	1,000,000	-
Between 2 and 5 years	8,999,997	7,000,000
Over 5 years	-	2,999,997
	<u>9,999,997</u>	<u>9,999,997</u>

**17 Share capital**

**Allotted, called up and fully paid shares**

	31 December 2015		30 December 2014	
	No.	£	No.	£
Ordinary shares of £1 each	<u>17,672,501</u>	<u>17,672,501</u>	<u>17,672,501</u>	<u>17,672,501</u>

**18 Reserves**

	Profit and loss account £
At 31 December 2014	6,263,444
Profit for the period	4,172,069
Actuarial loss on pension schemes	<u>(745,000)</u>
At 31 December 2015	<u>9,690,513</u>

**19 Reconciliation of movement in shareholders' funds**

	31 December 2014 to 31 December 2015 £	1 January 2014 to 30 December 2014 £
Profit attributable to the members of the company	4,172,069	1,026,402
Other recognised gains and losses relating to the period	<u>(745,000)</u>	<u>(697,000)</u>
Net addition to shareholders' funds	3,427,069	329,402
Shareholders' funds at start of period	<u>23,935,945</u>	<u>23,606,543</u>
Shareholders' funds at end of period	<u>27,363,014</u>	<u>23,935,945</u>



**Piramal Healthcare UK Limited**  
**Notes to the Financial Statements for the Period from 31 December 2014 to 31**  
**December 2015**

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**20 Pension schemes**

Piramal Healthcare UK Limited sponsors a defined benefit retirement plan. The plan also has a defined contribution section where the level of company contribution is fixed at a set level or percentage of employees pay. In the defined benefit section, the benefits are based on employees' years of service and final remuneration. The plan is funded through a separate trustee-administered fund. The pension cost for the main defined benefit plans is established in accordance with the advice of independent qualified actuary.

The contribution rate payable by the employer until 31 December 2015 was 30.5% of pensionable salaries plus defined contributions payable to members of the fund. Thereafter, the contribution rate increased to 37.3% of pensionable salaries plus defined contributions payable to members of the fund. The latest formal funding valuation of the fund was carried out with the effective date of 31 December 2014.

The information provided below on the pension scheme has been provided by Aon Hewitt Limited, a firm of independent actuaries in their report of the scheme dated 2 February 2016.

The company accounts for pension costs in accordance with FRS 17 'Retirement benefits'.

<b>Major assumptions</b>	<b>2015</b>	<b>2014</b>
Rate of general increase in salaries	1.20%	1.20%
Rate of increase to pensions in payment	3.05%	2.95%
Discount rate for plan liabilities	3.75%	3.55%
CPI Inflation	2.00%	1.95%
RPI Inflation	3.10%	3.05%

**Piramal Healthcare UK Limited**  
**Notes to the Financial Statements for the Period from 31 December 2014 to 31**  
**December 2015**

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The assets in the schemes and the expected rate of return were:

	Value as at 31 Dec 2015	Long term rate of return expected 31 Dec 2014	Value as at 31 Dec 2014
	£'000	%	£'000
Equities	6,405	7.10	6,133
Government bonds (index-linked)	16,547	2.15	17,760
Corporate bonds	13,297	2.80	12,409
Property	-	6.30	97
Diversified Growth Fund	9,184	5.50	9,077
Other	15,481	2.25	15,492
PIMCO Unconstrained Bond Fund	-	N/A	-
Leveraged Gilt Fund	1,794	2.40	2,923
Real Fund	79	2.15	89
Market value of asset	62,787		63,980
Present value of scheme liabilities	(49,801)		(55,008)
Surplus in fund	12,986		8,972
Unrecognised asset due to limit in para 41 of FRS 17	(12,288)		(8,439)
Gross pension asset	698		533
Related deferred tax liability	(140)		(112)
Net pension asset	558		421

Movement of surplus during the period:

	2015 £'000
Opening surplus	8,972
Company contributions	910
Actuarial gains (losses)	3,104
Closing surplus	12,986

**Piramal Healthcare UK Limited**  
**Notes to the Financial Statements for the Period from 31 December 2014 to 31**  
**December 2015**

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**Analysis of amounts charged to operating profit:**

	2015	2014
	£'000	£'000
Current service cost (note 8)	<u>144</u>	<u>150</u>
	<u>144</u>	<u>150</u>

**Analysis of amounts included in other financing charge/(credit):**

	2015	2014
	£'000	£'000
Interest cost	1,935	2,061
Expected return on asset	<u>(2,079)</u>	<u>(2,211)</u>
	<u>(144)</u>	<u>(150)</u>

**Analysis of the amount recognised in the Statement of Total Recognised Gains and Losses (STRGL):**

	2015	2014
	£'000	£'000
Actual return less expected return on pension scheme assets	3,104	2,705
Change in irrecoverable surplus, effect of limit in para 41 of FRS 17	<u>(3,849)</u>	<u>(3,402)</u>
	<u>(745)</u>	<u>(697)</u>

Piramal Healthcare UK Limited employs a building block approach in determining the long-term rate of return on pension plan assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed long-term rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected rate for each asset class over the asset allocation for the fund.

**21 Contingent liabilities**

At the balance sheet date the following contingent liabilities existed:

Guarantee by the bank in favour of H M Revenue & Customs for £950,000 (2014 - £600,000).

**22 Commitments**

**Capital commitments**

Amounts contracted for but not provided in the financial statements amounted to £2,600,968 (2014 - £835,487).

**Piramal Healthcare UK Limited**  
**Notes to the Financial Statements for the Period from 31 December 2014 to 31**  
**December 2015**

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**Operating lease commitments**

(a) As at 31 December 2015 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases expiring:

	<b>31 December 2015 £</b>	<b>30 December 2014 £</b>
<b>Land and buildings</b>		
Within two and five years	107,000	107,000
Over five years	<u>41,575</u>	<u>39,545</u>
	<u>148,575</u>	<u>146,545</u>
<b>Other</b>		
Within one year	-	161,381
Within two and five years	<u>23,968</u>	<u>23,968</u>
	<u>23,968</u>	<u>185,349</u>

**23 Post balance sheet events**

On 22 March 2016, the immediate parent undertaking, Piramal Holdings (Suisse) SA, transferred its entire share holding in the company to Piramal Dutch Holdings N.V.

**24 Related party transactions**

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group, on the basis that it is a wholly owned subsidiary.

Amounts owed by fellow group undertakings:

	<b>2015 £</b>	<b>2014 £</b>
Piramal Pharmaceutical Development Services Pvt Limited	-	119,455
Piramal Critical Care Inc.	-	85,351
Piramal Critical Care Italia S.p.A.	265,411	160,500
Oxygen Bio Research Pvt Limited	-	333,699
Piramal Healthcare (Canada) Limited	4,105	27,908

# **Piramal Healthcare UK Limited**

## **Notes to the Financial Statements for the Period from 31 December 2014 to 31**

**December 2015**

*..... continued*

Piramal Imaging GmbH	259,135	-
Piramal Imaging Limited	746,658	-
Piramal Imaging SA	10,860	528,396
	<u>1,286,169</u>	<u>1,255,309</u>

Piramal Pharmaceutical Development Services Pvt Limited and Oxygen Bio Research Pvt Limited are no longer entities. The amounts owed to/by these group undertakings are shown within amounts owed to/by Piramal Enterprises Limited.

Amounts owed to fellow group undertakings:

	2015	2014
	£	£
Piramal Life Sciences (UK) Limited	1,555,794	1,555,794
Piramal Pharma Inc	3,074,776	-
	<u>4,630,570</u>	<u>1,555,794</u>

Amounts owed to immediate parent undertaking:

	2015	2014
	£	£
Piramal Holdings (Suisse) SA	248,626	1,222,654

Amounts owed to ultimate parent undertaking:

	2015	2014
	£	£
Piramal Enterprises Limited	825,585	2,069,565

Loan from immediate parent undertaking:

	2015	2014
	£	£
Piramal Holdings (Suisse) SA	8,060,000	5,750,000

**Piramal Healthcare UK Limited**  
**Notes to the Financial Statements for the Period from 31 December 2014 to 31**  
**December 2015**

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**25 Parent Undertaking and Control**

The immediate parent undertaking at the period end was Piramal Holdings Suisse SA which is incorporated in Switzerland.

Subsequent to the period end, the immediate parent undertaking changed to Piramal Dutch Holdings N.V. (note 23).

The ultimate parent undertaking is Piramal Enterprises Limited, a company incorporated in India.

The smallest and the largest group for which consolidated financial statements are publicly available, is that group headed by the ultimate parent undertaking, Piramal Enterprises Limited. Copies of these accounts can be obtained from Piramal Enterprises Limited, D-Mart Building, Goregaon-Mulund Link Road, Mulund West, Mumbai 400080, India.

There is no overall controlling party.