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COMPANIES HOUSE

**R5 PHARMACEUTICALS LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

**Company Registration Number 05661235**

**R5 PHARMACEUTICALS LIMITED**  
**ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2009**

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**R5 PHARMACEUTICALS LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO R5 PHARMACEUTICALS**  
**LIMITED**  
**UNDER SECTION 449 OF THE COMPANIES ACT 2006**

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We have examined the abbreviated accounts set out on pages 2 to 7, together with the financial statements of R5 Pharmaceuticals Limited for the year ended 31 December 2009 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditor**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

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David Parish, Senior Statutory Auditor  
For and on behalf of

RSM Tenon Audit Limited  
Statutory Auditor  
The Poynt  
45 Wollaton Street  
Nottingham  
NG1 5FW

19 April 2010

**R5 PHARMACEUTICALS LIMITED**

Registered Number 05661235

**ABBREVIATED BALANCE SHEET****31 DECEMBER 2009**

	Note	2009 £	£	2008 £	£
<b>Fixed assets</b>	2				
Intangible assets			330,110		278,256
Tangible assets			228,987		236,608
			<u>559,097</u>		<u>514,864</u>
<b>Current assets</b>					
Debtors		564,022		551,778	
Cash at bank and in hand		173,763		154,606	
		<u>737,785</u>		<u>706,384</u>	
<b>Creditors amounts falling due within one year</b>		(522,913)		(650,749)	
<b>Net current assets</b>			214,872		55,635
<b>Total assets less current liabilities</b>			<u>773,969</u>		<u>570,499</u>
<b>Creditors amounts falling due after more than one year</b>			(586,664)		(545,642)
			<u>187,305</u>		<u>24,857</u>
<b>Capital and reserves</b>					
Called-up share capital	4		2,131		2,131
Share premium account			216,355		216,355
Profit and loss account			(31,181)		(193,629)
<b>Shareholders' funds</b>			<u>187,305</u>		<u>24,857</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These abbreviated accounts were approved by the directors and authorised for issue on 18 March 2010, and are signed on their behalf by

Mr P Titley  
Director



The notes on pages 3 to 7 form part of these abbreviated accounts

**R5 PHARMACEUTICALS LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2009**

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**1. Accounting policies**

**Basis of accounting**

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

**Cash flow statement**

The company has adopted the Financial Reporting Standard For Smaller Entities (2008) and is consequently exempt from the requirement to include a cash flow statement in the financial statements

**Turnover**

In respect of long-term contract and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Value of work done in respect of long-term contract and contract for on-going services is determined by reference to the stage of completion

**Amortisation**

Amortisation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the estimated useful economic life of that asset as follows

Trademark and domain	- 5 years
Licence costs	- 10 years

**Tangible fixed assets and depreciation**

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows

Plant & machinery	- 5 to 10 years
Fixtures & fittings	- 5 years
Equipment	- 5 years

The cost of tangible fixed assets include their purchase price and the costs of bringing the assets into use

**Finance lease agreements**

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is capitalised in the balance sheet as a tangible fixed asset at its fair value and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments

**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

**R5 PHARMACEUTICALS LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2009**

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**1 Accounting policies *(continued)***

**Pension costs**

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

**Deferred taxation**

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

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

Deferred tax assets in respect of losses are only recognised to the extent that profits are considered reasonably certain to arise in the foreseeable future.

**Foreign currencies**

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date.

Non-monetary assets and liabilities and transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

Exchange differences are taken into account in arriving at the operating profit.

**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.

**R5 PHARMACEUTICALS LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2009**

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**2. Fixed assets**

	<b>Intangible Assets £</b>	<b>Tangible Assets £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 2009	298,131	380,517	678,648
Additions	100,000	76,306	176,306
At 31 December 2009	<u>398,131</u>	<u>456,823</u>	<u>854,954</u>
<b>Depreciation</b>			
At 1 January 2009	19,875	143,909	163,784
Charge for year	48,146	83,927	132,073
At 31 December 2009	<u>68,021</u>	<u>227,836</u>	<u>295,857</u>
<b>Net book value</b>			
At 31 December 2009	<u>330,110</u>	<u>228,987</u>	<u>559,097</u>
At 31 December 2008	<u>278,256</u>	<u>236,608</u>	<u>514,864</u>

**R5 PHARMACEUTICALS LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2009**

**3. Related party transactions**

I Wilding, a director and shareholder of the company, is also a director and shareholder of Zysis Limited and Modern Biosciences Limited

During the year the company traded with Zysis Limited on a normal commercial basis. Services worth £53,975 (2008 £125,624) were sold to Zysis Limited during the year, and at 31 December 2009 the company was owed £nil (2008 £53,975)

During the previous year the company traded with Modern Biosciences Limited on a normal commercial basis. Services worth £nil (2008 £43,953) were sold to Modern Biosciences Limited during the year, and at the year end £nil (2008 £nil) was owed to the company

The company leases premises from Biocity Nottingham Limited ("Biocity"), a shareholder of the company. Rent and service charges invoiced in the period were £337,099 (2008 £294,693). Other services were purchased for £29,028 (2008 £23,465). At the year end £37,815 (2008 £53,568) was owed to Biocity.

During the year the company sold intellectual property rights and the company's registered trade mark for £100,000 to Robin Hood Directors Pension Scheme, a pension scheme of which certain directors of the company are trustees. Following the sale of these assets, the pension scheme leased the assets back to the company on a five year finance lease.

The company has been loaned money by other shareholders with amounts owed at the year end of

	2009 £	2008 £
East Midlands Regional Venture Capital Fund	95,400	145,800
R Eady	–	3,576
C Ampofo	–	3,576
J Seagrief	–	5,294
	<u>95,400</u>	<u>158,246</u>

A director of the company has also made loans to the company. The amounts owed at the year end were

	2009 £	2008 £
I Wilding	38,298	58,914
	<u>38,298</u>	<u>58,914</u>

**4. Share capital**

**Authorised share capital:**

	2009 £	2008 £
2,256 Ordinary shares of £1 each	2,256	2,256
1,311 'A' ordinary shares of £1 each	1,311	1,311
	<u>3,567</u>	<u>3,567</u>



**R5 PHARMACEUTICALS LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 2009**

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**4. Share capital (*continued*)**

**Allotted and called up**

	<b>2009</b>		<b>2008</b>	
	<b>No</b>	<b>£</b>	<b>No</b>	<b>£</b>
2,131 Ordinary shares of £1 each	2,131	2,131	2,131	2,131
1,311 'A' ordinary shares of £1 each	1,311	1,311	1,311	1,311
	<u>3,442</u>	<u>3,442</u>	<u>3,442</u>	<u>3,442</u>

Holders of the 'A' ordinary shares receive minimum dividends at a fixed percentage of the net profits of the company. They also share in any residual amounts on the winding-up of the company. Further details of the rights conferred are given in the Articles of Association of the company.

Under the terms of FRS 25 'Financial Instruments: Presentation and Disclosure', the 'A' ordinary shares are considered to be compound instruments, although the debt component accounts for all of their book value. They are therefore shown within creditors.