

Aesica Formulation Development Limited

Annual report and financial statements

Year ended 30 April 2019

Registered No: 05661235



Contents

	Page
Directors and advisers	1
Directors' report	2
Statement of directors' responsibilities in respect of the annual report and the financial statements	4
Independent auditor's report to the members of Aesica Formulation Development Ltd	5
Profit and loss account and other comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11

Directors and advisers

Directors

J Glenn

P Hayes

M Boerman

Company secretary

A Jackson (appointed 7 September 2018)

P Hayes (resigned 7 September 2018)

Independent auditor

KPMG LLP

15 Canada Square

London

E14 5GL

Banker

Lloyds Banking Group

41/51 Grey Street

Newcastle upon Tyne

NE1 6EE

Registered office

Aesica Formulation Development Limited

Suite B

Breakspear Park

Breakspear Way

Hemel Hempstead

HP2 4TZ

Directors' report

The directors present their report together with the audited financial statements of Aesica Formulation Development Limited ("the Company") for the year ended 30 April 2019.

Principal activities

The Company previously developed and manufactured clinical materials for the pharmaceutical industry but following the site closure its activities were transferred to another group company, Aesica Queenborough Limited. The Company holds loans with group companies.

Business review

The results for the Company show a loss before tax of £5,000 (FY2018: profit of £4,000) due to exchange loss on revaluation of intercompany balances (FY2018: exchange gain on intercompany balances).

Going concern

The Company made a loss after tax for the financial year of £5,000 (FY2018: profit of £4,000). At the balance sheet date it had net liabilities of £1.6m (30 April 2018: £1.6m). The Company is mainly financed by a loan from its immediate parent company, Aesica Queenborough Limited. The loan amounted to £5.9m (FY2018: £5.9m) at the balance sheet (note 6). Aesica Queenborough Limited has confirmed that the loan will not be called for repayment for a period of at least 12 months from the date of this report.

The directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of the immediate parent company Aesica Queenborough Limited. The directors have received confirmation that Aesica Queenborough Limited intends to support the Company for at least one year after these financial statements are signed.

Principal risk and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. Further discussion of the key risks and uncertainties, in the context of the Consort Medical plc Group as a whole, is provided in the directors' report within Consort Medical plc's annual report which does not form part of this report.

Brexit

On June 23, 2016, the United Kingdom (U.K.) held a referendum in which voters approved an exit from the E.U., commonly referred to as "Brexit". The Company has considered the nature and extent of risks and uncertainties arising from the result of the Brexit referendum and the impact on the future performance and position of the business. The Company does not consider that a hard Brexit will have a significant impact on its operations and ability to service its supply chain. As negotiations continue, the Company will monitor outcomes, assess the impact on the regulatory environment in which it operates, its customers, supply chain and employees and will implement an appropriate response.

Key performance indicators ("KPIs")

The financial KPIs of the Consort Medical plc Group include sustained revenue and earnings growth. These have been discussed on a group-wide basis, including the Company, in the section "Key performance indicators" of the Strategic Report within the Consort Medical plc annual report which does not form part of this report.

Directors' report *(continued)*

Directors

The directors of the company serving during the year, and up to the date of this report are shown below.

J Glenn

P Hayes

M Boerman

Political contributions

The Company made no political donations or incurred any political expenditure during the year (FY2018: £nil).

Disclosure of information to auditor

In the case of each director, so far as each is aware, there is no relevant audit information of which the Company's auditor is unaware. Each director has taken all the steps he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

KPMG LLP are the Company's auditor. 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.

By order of the Board


P Hayes

Director

7 August 2019

Aesica Formulation Development Limited
Suite B
Breakspear Park
Breakspear Way
Hemel Hempstead
HP2 4TZ

Statement of directors' responsibilities in respect of the annual report and the financial statements

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 UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AESICA FORMULATION DEVELOPMENT LIMITED

Opinion

We have audited the financial statements of Aesica Formulation Development Limited ("the company") for the year ended 30 April 2019 which comprise the Profit and loss account and other comprehensive income, the Balance Sheet, the Statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit,

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AESICA FORMULATION DEVELOPMENT LIMITED *(continued)*

and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion this report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AESICA FORMULATION DEVELOPMENT LIMITED *(continued)*

Auditor's responsibilities

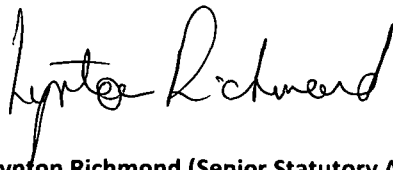
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our

opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Lynton Richmond (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

16th
August 2019

Profit and loss account and other comprehensive income

for the year ended 30 April 2019

		2019	2018
	Note	£'000	£'000
Operating expenses	2	(5)	4
Operating (Loss)/profit		(5)	4
Interest payable and similar charges		-	-
(Loss)/profit before taxation		(5)	4
Tax on (Loss)/profit	4	-	-
(Loss)/ profit for the financial year		(5)	4

There is no other comprehensive income for the financial year (FY2018: £nil).

The notes set out on pages 11 to 16 are an integral part of these financial statements.

Balance sheet

as at 30 April 2019

	Note	2019 £'000	2018 £'000
Non-current assets			
Trade and other receivables	5	6,489	-
		6,489	-
Current assets			
Trade and other receivables	5	16	6,598
Cash and cash equivalents		19	19
		35	6,617
Total Assets		6,524	6,617
Current liabilities			
Trade and other payables	6	(8,100)	(8,231)
Current tax		(43)	
		(8,143)	(8,231)
Net current liabilities		(8,108)	(1,614)
Net liabilities		(1,619)	(1,614)
Shareholders' equity			
Called up share capital	7	3	3
Share premium account		385	385
Accumulated losses		(2,007)	(2,002)
Total equity		(1,619)	(1,614)

The notes set out on pages 11 to 16 are an integral part of these financial statements.

The financial statements on pages 8 to 16 were approved and authorised by the Board of Directors on 7 August 2019 and were signed on its behalf by:

P Hayes
Director



Aesica Formulation Development Limited

Registered number 05661235

Statement of changes in equity

for the year ended 30 April 2019

	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total equity £'000
<i>Balance at 30 April 2017</i>	3	385	(2,006)	(1,618)
Profit for the year	-	-	4	4
Balance at 30 April 2018	3	385	(2,002)	(1,614)
Profit for the year	-	-	(5)	(5)
Balance at 30 April 2019	3	385	(2,007)	(1,619)

The notes set out on pages 11 to 16 are an integral part of these financial statements.

Notes *(forming part of the financial statements)*

1 Accounting policies

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

Basis of preparation

Aesica Formulation Development Limited (the "Company") is a company incorporated and domiciled in England in the United Kingdom under the Companies Act 2006, registered number 05661235.

The company is a wholly-owned subsidiary of Aesica Queenborough Limited. The Company's ultimate parent undertaking, Consort Medical Plc includes the Company in its consolidated financial statements. The consolidated financial statements of Consort Medical Plc are publicly available.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of transactions with wholly owned subsidiaries.

Notes *(continued)*

1 Accounting policies *(continued)*

Accounting convention

The financial statements have been prepared using the historic cost convention, as modified by certain financial assets and liabilities (including derivative financial instruments) at fair value. The specific accounting policies adopted, which have been approved by the Board, are described within this note and which have been applied consistently in all years presented.

Going concern

After making appropriate enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The net liability position is due to loans from group companies. The directors have received confirmation that its immediate holding company, Aesica Queenborough Limited, intends to support the company for at least one year after these financial statements are signed. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Foreign currency translation

Functional presentation currency

The financial statements are presented in pounds sterling (£), which is the company's functional and presentational currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account. Foreign exchange gains and losses that relate to borrowings and cash equivalents are presented in the profit and loss account within "finance income or costs".

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Notes (continued)

1 Accounting policies (continued)

Cash and cash equivalents

Cash comprises cash in hand and on demand bank deposits. Cash equivalents are short-term highly liquid investments with maturity of less than 90 days that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Taxation including deferred tax

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

2 Expenses and auditor's remuneration

	2019	2018
	£'000	£'000
The following items have been charged in arriving at operating (loss)/profit:		
Foreign exchange (losses)/profit	(5)	4

Audit fees were incurred by another group company. There were no charges for non-audit work in the year (FY2018: £nil).

Notes *(continued)*

3 Employees and directors

The company has no employees. J Glenn and P Hayes are also directors of the ultimate parent undertaking, Consort Medical plc. Details of their remuneration for services to the group as a whole are disclosed in the consolidated financial statements of Consort Medical plc, which are publicly available as set out in note 9.

M Boerman is also a director of Aesica Pharmaceuticals Limited. Details of her remuneration for services to the Aesica companies as a whole are disclosed in the financial statements of Aesica Pharmaceuticals Limited.

4 Taxation

The tax for the current period is a credit of £nil (FY2018: £nil), which is lower than the standard rate of corporation tax in the UK of 19% (FY2018: 19%). The differences are explained below:

	2019	2018
	£'000	£'000
(Loss)/profit before tax	(5)	4
Taxation charge at UK corporation tax of 19% (FY2018: 19%)	(1)	1
Income not taxable	-	(1)
Adjustment in respect of previous periods	1	
Tax on profit on ordinary activities	-	-

Notes (continued)

5 Trade and other receivables

	2019	2018
	£'000	£'000
Trade receivables	16	16
Amounts owed by group undertakings	6,489	6,582
	6,505	6,598

	2019	2018
	£'000	£'000
Amounts due within one year	16	16
Amounts due after one year	6,489	6,582
	6,505	6,598

All of the amounts disclosed above are interest free and repayable on demand and are considered to be collectable.

6 Trade and other payables

	2019	2018
	£'000	£'000
Trade payables	10	9
Amounts owed to group undertakings	8,057	8,187
Accruals and deferred income	33	35
	8,100	8,231

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand.

Notes *(continued)*

7 Share capital

	Allotted and fully paid	
	2019	2019
	Number	£'000
Ordinary shares of £1 each	3,442	3

8 Contingent liabilities

The Company is party to a cross-guarantee agreement to the benefit of its ultimate parent, Consort Medical plc, in respect of the Group's multi-currency revolving credit facility with National Westminster Bank plc, HSBC UK Bank plc, Lloyds Bank plc, Royal Bank of Canada and Commerzbank. At 30 April 2019 the outstanding balance of these borrowings within Consort Medical plc amounted to £110.9m (30 April 2018: £117.3m).

9 Ultimate parent undertaking and related party transactions

The Company has taken advantage of the exemption under FRS101 not to disclose transactions with fellow wholly owned subsidiaries.

The immediate parent undertaking is Aesica Queenborough Limited, which owns 100% of the company's share capital. The company's ultimate parent undertaking and controlling party is Consort Medical plc and consolidated group financial statements, which include Aesica Formulation Development Limited, are available from Consort's registered office at Suite B, Breakspear Park, Breakspear Way, Hemel Hempstead, HP2 4TZ.