

# **Aesica Formulation Development Limited**

Annual report and financial statements

30 April 2018

Registered No: 05661235



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## **Directors and advisers**

### **Directors**

J Glenn  
P Hayes (appointed 1 May 2017)  
M Boerman (appointed 22 May 2017)  
I Muir (resigned 18 May 2017)

### **Company secretary**

P Hayes (appointed 28 February 2018)  
J Ilett (resigned 28 February 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 2018.

### 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 profit before tax of £4k (2017: loss of £27k) due to exchange gain on revaluation of intercompany balances (2017: exchange loss on intercompany balances).

### Going concern

The Company made a loss after tax for the financial year of £4k (2017: loss of £27k). At the balance sheet date it had net liabilities of £1,614k (2017: £1,618k). The Company is mainly financed by a loan from its immediate parent company, Aesica Queenborough Limited. The loan which amounted to £5.9m (2017: £5.9m) at the balance sheet date is repayable on demand (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.

### 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 (appointed 1 May 2017)

M Boerman (appointed 22 May 2017)

I Muir (resigned 18 May 2017)

### **Political contributions**

The Company made no political donations or incurred any political expenditure during the year (2017: £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**

1 August 2018

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 2018 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 2018 and of its profit 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.

### **Going concern**

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

### **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.

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

### **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.

### **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.

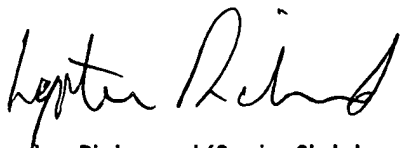
A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).



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

**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

Date:

1 August 2018

## Profit and loss account and other comprehensive income

for the year ended 30 April 2018

		2018	2017
	Note	£'000	£'000
Revenue		-	-
Operating expenses	2	4	(27)
<b>Operating profit / (loss)</b>		<b>4</b>	<b>(27)</b>
Interest payable and similar charges		-	-
<b>Profit / (loss) before taxation</b>		<b>4</b>	<b>(27)</b>
Tax on profit / loss	4	-	-
<b>Profit / (loss) for the financial year</b>		<b>4</b>	<b>(27)</b>

There is no other comprehensive income for the financial year (2017: £nil).

The notes set out on pages 11 to 15 are an integral part of these financial statements.

**Balance sheet** as at 30 April 2018

	Note	2018 £'000	2017 £'000
<b>Current assets</b>			
Trade and other receivables	5	6,598	6,601
Cash and cash equivalents		19	19
		<b>6,617</b>	<b>6,620</b>
<b>Current liabilities</b>			
Trade and other payables	6	(8,231)	(8,238)
		<b>(8,231)</b>	<b>(8,238)</b>
<b>Net current liabilities</b>		<b>(1,614)</b>	<b>(1,618)</b>
<b>Net liabilities</b>		<b>(1,614)</b>	<b>(1,618)</b>
<b>Shareholders' equity</b>			
Called up share capital	7	3	3
Share premium account		385	385
Accumulated losses		(2,002)	(2,006)
<b>Total equity</b>		<b>(1,614)</b>	<b>(1,618)</b>

The notes set out on pages 11 to 15 are an integral part of these financial statements.

The financial statements on pages 8 to 15 were approved and authorised by the Board of Directors on 1 August 2018 and were signed on its behalf by:



P Hayes  
Director

**Aesica Formulation Development Limited**

**Registered number 05661235**

## Statement of changes in equity

	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 May 2016	3	385	(1,979)	(1,591)
Loss for the year	-	-	(27)	(27)
<b>Balance at 30 April 2017</b>	<b>3</b>	<b>385</b>	<b>(2,006)</b>	<b>(1,618)</b>
Profit for the year	-	-	4	4
<b>Balance at 30 April 2018</b>	<b>3</b>	<b>385</b>	<b>(2,002)</b>	<b>(1,614)</b>

The notes set out on pages 11 to 15 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 primary activities of the company are the development and manufacturing of clinical materials.

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 ultimate holding company, Consort Medical Plc, 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**

	2018	2017
	£'000	£'000
<b>The following items have been charged in arriving at operating profit / (loss):</b>		
Foreign exchange gains / (losses)	4	(27)

Audit fees were incurred by another group company. There were no charges for non-audit work in the year (2017: £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 k (2017: £nil k), lower than the standard rate of corporation tax in the UK of 19% (2017: 19.92%). The differences are explained below:

	2018 £'000	2017 £'000
Profit / (loss) before tax	4	(27)
Taxation charge at UK corporation tax of 19% (2017: 19.92%)	1	(5)
Income not taxable	(1)	-
Expenses not deductible for tax purposes	-	5
<b>Tax on profit on ordinary activities</b>	-	-

### 5 Trade and other receivables

	2018 £'000	2017 £'000
Trade receivables	16	16
Amounts owed by group undertakings	6,582	6,585
	<b>6,598</b>	<b>6,601</b>

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



**Notes** (continued)

**6 Trade and other payables**

	2018	2017
	£'000	£'000
Trade payables	9	10
Amounts owed to group undertaking	8,187	8,195
Accruals and deferred income	35	33
	<b>8,231</b>	<b>8,238</b>

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

**7 Share capital**

	Allotted and fully paid	
	2018	2018
	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 Barclays Bank plc, the Royal Bank of Scotland, Lloyds Bank plc and Santander plc. At 30 April 2018 the outstanding balance of these borrowings amounted to £117.3m (2017: £113.0m).

**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 Breakspear Park, Breakspear Way, Hemel Hempstead, HP2 4TZ.