

Registered Number 05848073

Rosemont Holdings Limited  
Annual report and financial statements  
For the year ended 31 December 2007

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# **Rosemont Holdings Limited**

## **Annual report and financial statements For the year ended 31 December 2007**

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# **Rosemont Holdings Limited**

## **Directors and advisers for the year ended 31 December 2007**

### **Directors**

J M Blythe

N A Salvin

K James

S Dinnen

### **Secretary**

N A Salvin

### **Registered Office**

Rosemont House

Yorkdale Industrial Park

Braithwaite Street

Leeds

LS11 9XE

### **Auditors**

PricewaterhouseCoopers LLP

Benson House

33 Wellington Street

Leeds

LS1 4JP

### **Solicitors**

Wragge & Co LLP

3 Waterhouse Square

142 Holborn

London

EC1N 2SW

### **Bankers**

HSBC Bank plc

8 Canada Square

London

E14 5HQ

# **Rosemont Holdings Limited**

## **Directors' report for the year ended 31 December 2007**

The directors present their report and the audited financial statements of the group and company for the year ended 31 December 2007

### **Business Review and Principal Activities**

The group's principal activity during the year was the development, manufacture and sale of oral liquid medicines

There was a group loss for the year after taxation amounting to £8,302,000 (Period 4 August 2006 to 31 December 2006 £3,548,000)

Both the level of business and the year end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future

### **Business Environment**

Notwithstanding ongoing concerns regarding NHS funding, the core UK pharmaceuticals market continues to expand each year. Whilst generic competition remains strong, the group maintains its position as a market leader through its ability to continually expand its product portfolio with innovative, high quality products

### **Strategy**

The group's strategy is centred on the provision of high quality medicines to satisfy unmet medical needs. In particular, the group's existing portfolio of oral liquid medicines is designed to improve the lives of patients with swallowing difficulties ('dysphagia'), which typically affect the elderly or the very young

The group's primary geographic focus remains the UK, although growth opportunities are increasingly being pursued in the US, Europe and other international territories

### **Research and Development**

The group is currently undertaking development into the improvement of the product range and the introduction of new products to the market, both in the UK and abroad

### **Future Outlook**

The group has a healthy stream of new products at various stages of development which, it is envisaged, will contribute positively to the continuing growth of the business. Coupled with the developing demographics towards a more ageing population, the group is well placed to continue to expand its customer base for the foreseeable future

### **Principal Risks and Uncertainties**

Whilst the pharmaceuticals sector in the UK and abroad faces changing times ahead, the directors believe the group is well positioned to adapt to any such changes, primarily as a result of its customer-focussed approach to providing good value, high quality medicines which address unmet medical needs

# **Rosemont Holdings Limited**

## **Directors' report for the year ended 31 December 2007 (continued)**

### **Key Performance Indicators**

The directors believe that the primary differentiator of the group from its competitors is the high quality of its products and services. The group's KPIs therefore focus primarily on maintaining high levels of product availability across its customer base, from hospitals to wholesalers and retail pharmacies, to ensure continuing reliable supply of high quality medicines to the market.

### **Dividends**

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2007.

### **Financing risk**

Cash and cash equivalents comprise bank balances and short term deposits. The carrying amount approximates to fair value. The credit risk on cash and cash equivalents is negligible because the counter parties are banks with high credit ratings. The group's main risk relates to its trade debtors. The carrying amount for trade debtors is net of a provision for doubtful debts.

### **Directors**

The directors who held office during the year are given below.

J M Blythe

N A Salvin

K James

S Dinnen

### **Employees**

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the group as a whole. Communication with all employees continues through internal newsletters, briefing groups and electronic communications.

# Rosemont Holdings Limited

## Directors' report for the year ended 31 December 2007 (continued)

### Statement of directors' responsibilities in respect of the Annual Report and the financial statements

The directors are responsible for preparing the Annual 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and group and of the profit or loss of the group for that period.

In preparing those 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement of disclosure of information to auditors

In accordance with section 234 of the Companies Act, each director who was a director at the time the report was approved confirms the following:

- So far as each director is aware, there is no relevant audit information of which the group's auditors are unaware, and
- Each has taken all steps that each ought to have taken as a director in order to make himself aware of any relevant information and to establish that the group's auditors are aware of that information.

### Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

### By order of the Board



N A Salvín

Secretary

26<sup>th</sup> JUNE 2008

# Rosemont Holdings Limited

## Independent auditors' report to the members of Rosemont Holdings Limited

We have audited the group and parent company financial statements (the "financial statements") of Rosemont Holdings Limited for the year ended 31 December 2007 which comprise the Consolidated profit and loss account, the Consolidated and Company balance sheets, the Consolidated cash flow statement, the Reconciliation of net cash flow to movement in net debt, the Accounting Policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, information given in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 December 2007 and of the group's loss and cash flows for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

*PricewaterhouseCoopers LLP*  
**PricewaterhouseCoopers LLP**  
Chartered Accountants and Registered Auditors  
Leeds

26 June 2008

## Rosemont Holdings Limited

### Consolidated profit and loss account for the year ended 31 December 2007

	Note	Year ended 2007 £'000	Period 4 August to 31 December 2006 £'000
Turnover	1	27,475	10,053
Cost of sales		(7,732)	(3,159)
Gross profit		19,743	6,894
Net operating expenses		(14,212)	(5,138)
<b>Operating profit</b>	2	<b>5,531</b>	<b>1,756</b>
Interest receivable and similar income		393	82
Interest payable and similar charges	6	(13,144)	(5,149)
<b>Loss on ordinary activities before taxation</b>		<b>(7,220)</b>	<b>(3,311)</b>
Tax on loss on ordinary activities	7	(1,082)	(237)
<b>Loss for the financial year</b>		<b>(8,302)</b>	<b>(3,548)</b>

All items dealt with in arriving at operating profit above relate to continuing operations

The group has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents

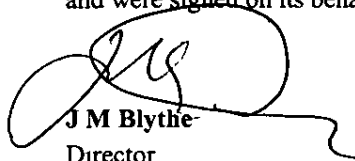


# Rosemont Holdings Limited

## Consolidated balance sheet as at 31 December 2007

	Note	2007 £'000	2006 £'000
<b>Fixed assets</b>			
Intangible assets	9	81,126	84,626
Tangible assets	10	5,772	3,920
		<b>86,898</b>	<b>88,546</b>
<b>Current assets</b>			
Stock	12	2,747	1,605
Debtors	13	5,191	5,551
Cash at bank and in hand		7,239	5,507
		<b>15,177</b>	<b>12,663</b>
<b>Creditors - amounts falling due within one year</b>	14	<b>(4,116)</b>	<b>(3,685)</b>
<b>Net current assets</b>		<b>11,061</b>	<b>8,978</b>
<b>Total assets less current liabilities</b>		<b>97,959</b>	<b>97,524</b>
<b>Creditors - amounts falling due after more than one year</b>	15	<b>(108,717)</b>	<b>(99,979)</b>
<b>Provisions for liabilities and charges</b>	17	<b>(48)</b>	<b>(49)</b>
<b>Net liabilities</b>		<b>(10,806)</b>	<b>(2,504)</b>
<b>Capital and reserves</b>			
Called up share capital	18	198	198
Share premium account	19	846	846
Profit and loss account	19	(11,850)	(3,548)
<b>Total shareholders' deficit</b>	20	<b>(10,806)</b>	<b>(2,504)</b>

The financial statements on pages 6 to 27 were approved by the board of directors on 26<sup>th</sup> JUNE 2008 and were signed on its behalf by

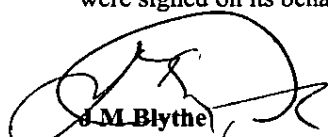
  
J M Blythe  
Director

# Rosemont Holdings Limited

## Company balance sheet as at 31 December 2007

	Note	2007 £'000	2006 £'000
<b>Fixed assets</b>			
Investments	11	-	-
<b>Current assets</b>			
Debtors	13	1,044	1,719
Creditors - amounts falling due within one year	14	-	(675)
<b>Net current assets</b>		1,044	1,044
<b>Net assets</b>		1,044	1,044
<b>Capital and reserves</b>			
Called up share capital	18	198	198
Share premium account		846	846
<b>Total shareholders' funds</b>	20	1,044	1,044

The financial statements on pages 6 to 27 were approved by the board of directors on 26<sup>th</sup> JUNE 2008 and were signed on its behalf by

  
J.M. Blythe  
Director

# Rosemont Holdings Limited

## Consolidated cash flow statement for the year ended 31 December 2007

	Note	Year ended 2007 £'000	Period 4 August to 31 December 2006 £'000
<b>Net cash inflow from operating activities</b>	21	<b>9,055</b>	<b>4,266</b>
<b>Returns on investment and servicing of finance</b>			
Interest received		661	83
Interest paid		(4,399)	(1,585)
<b>Net cash outflow from returns on investments and servicing of finance</b>		<b>(3,738)</b>	<b>(1,502)</b>
<b>Taxation</b>		<b>(664)</b>	<b>(130)</b>
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(2,946)	(763)
<b>Net cash inflow before use of liquid resources and financing</b>		<b>1,707</b>	<b>1,871</b>
<b>Financing</b>			
Issue of ordinary share capital		-	40
Loan capital repayments		(475)	-
Increase in borrowings		500	-
<b>Net cash flow from financing</b>		<b>25</b>	<b>40</b>
<b>Increase in net cash</b>		<b>1,732</b>	<b>1,911</b>

## Rosemont Holdings Limited

### Reconciliation of net cash flow to movement in net debt

	Note	Year ended 2007 £'000	Period 4 August to 31 December 2006 £'000
Increase in cash in the year		1,732	1,911
Accrual for finance cost of debt		(8,791)	(3,564)
Amortisation of issue costs		(222)	(93)
<b>Movement in net debt in the year</b>	22	<b>(7,281)</b>	<b>(1,746)</b>
Net opening debt		(94,947)	(93,201)
<b>Net closing debt</b>		<b>(102,228)</b>	<b>(94,947)</b>

# Rosemont Holdings Limited

## Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and in accordance with the Companies Act 1985

### Basis of accounting

The financial statements are prepared under the historical cost convention

### Fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition. Depreciation is calculated so as to write off the cost or valuation of tangible fixed assets, less their estimated residual value, on a straight line basis over their estimated economic lives. The estimated economic lives used for this purpose are

Leasehold land and buildings	10 years
Plant and machinery and equipment	5 to 10 years
Computer equipment	3 years

### Goodwill and intangible assets

Goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life of 20 years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other years if events or changes in circumstances indicate that the carrying value may not be recoverable.

### Investments in subsidiary undertakings

The cost of investments in subsidiary undertakings is recorded at cost less provision for impairment in value.

### Foreign currencies

Assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date or at the agreed contractual rate. Transactions in foreign currency are translated at the rate ruling at the date of the transaction. All differences on exchange are taken to the profit and loss account.

### Leases

All leases are treated as operating leases, the costs of which are charged on a straight line basis over the lease term.

# **Rosemont Holdings Limited**

## **Accounting policies (continued)**

### **Research and development**

Research and development expenditure is written off in the profit and loss account in the year in which it is incurred

### **Stocks and work in progress**

Stocks and work in progress are stated at the lower of cost and net realisable value. For work in progress and finished goods manufactured by the group, cost is taken as production cost, which includes an appropriate proportion of attributable overheads. Where necessary, provision is made for obsolete, slow-moving and defective stocks.

### **Pensions**

The group operates a defined contribution pension scheme for the benefit of all employees. The costs relating to this scheme are charged to the profit and loss account as they fall due.

### **Turnover**

Turnover represents the invoiced value of goods and services supplied, excluding value added tax and trade discounts and is recognised on the point of despatch.

### **Taxation**

The charge for taxation is based on the results for the year. In accordance with FRS 19, deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in future, or a right to pay less taxation in future. Deferred tax assets are recognised only to the extent that it can be regarded as 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 assets and liabilities recognised have not been discounted.

# Rosemont Holdings Limited

## Notes to the financial statements for the year ended 31 December 2007

### 1 Segmental reporting

The group's turnover and operating profit relate entirely to its principal activity. The geographical analysis of turnover is:

	Year ended 2007 £'000	Period 4 August to 31 December 2006 £'000
United Kingdom	25,763	9,450
Rest of Europe	1,115	266
Rest of the World	597	337
	27,475	10,053

### 2 Operating profit

	Year ended 2007 £'000	Period 4 August to 31 December 2006 £'000
<b>Operating profit is stated after charging</b>		
Depreciation of tangible fixed assets		
- owned assets	809	272
Amortisation of goodwill	4,384	1,800
Loss on disposal of fixed assets	285	3
Operating lease charges		
- plant and machinery	225	92
- other	304	96
Research and development	2,333	642
Fees payable to the Company's auditors for the audit of the Company's annual accounts	9	9
Fees payable to the Company's auditors for other services		
- the audit of the Company's subsidiaries pursuant to legislation	27	27
- other services	66	37

# Rosemont Holdings Limited

## Notes to the financial statements for the year ended 31 December 2007 (continued)

### 3 Directors' emoluments

	Year ended 2007 £'000	Period 4 August to 31 December 2006 £'000
Aggregate emoluments	364	132
Group pension contributions to money purchase scheme	18	7
Sums paid to third parties for directors' services	92	35

Retirement benefits are accruing to two (2006 two) directors under a defined contribution scheme

Highest Paid Director	Year ended 2007 £'000	Period 4 August to 31 December 2006 £'000
Aggregate emoluments and amounts receivable under long-term incentive schemes	201	176
Group pension contributions to money purchase scheme	10	9
	211	185

### 4 Employee costs

	Year ended 2007 £'000	Period 4 August to 31 December 2006 £'000
Wages and salaries	5,674	2,157
Social security costs	579	217
Pensions costs	245	91
Staff costs	6,498	2,465



## **Rosemont Holdings Limited**

### **Notes to the financial statements for the year ended 31 December 2007 (continued)**

#### **5 Employee information**

The average monthly number of persons (including executive directors) employed by the group during the year was

By activity	Year ended	Period 4 August to 31 December
	2007 £'000	2006 £'000
Production	81	82
Selling and distribution	49	48
Research and development	16	14
Administration	32	27
	178	171

#### **6 Interest payable and similar charges**

	Year ended	Period 4 August to 31 December
	2007 £'000	2006 £'000
Interest payable and bank loans and overdrafts	5,104	2,469
Interest payable on other loans	8,040	2,680
Interest payable and similar charges	13,144	5,149

## Rosemont Holdings Limited

### Notes to the financial statements for the year ended 31 December 2007 (continued)

#### 7 Tax on profit on ordinary activities

	Year ended 2007 £'000	Period 4 August to 31 December 2006 £'000
<b>Current tax</b>		
UK corporation tax at 30% (2006 30%)	1,083	219
<b>Deferred tax</b>		
Deferred tax (credit)/charge during the year	(1)	18
	<b>1,082</b>	<b>237</b>

The tax assessed for the year is lower (2006 lower) than the standard rate of corporation tax in the United Kingdom of 30%. The differences are explained as follows

	Year ended 2007 £'000	Period 4 August to 31 December 2006 £'000
Loss on ordinary activities before tax	7,220	3,311
Loss on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 30%	2,166	993
Effect of		
Expenses not deductible for tax purposes	(1,910)	(672)
Capital allowances in excess of depreciation	(23)	(18)
Goodwill on consolidation	(1,315)	(540)
Current tax charge for the year	<b>(1,082)</b>	<b>(237)</b>

#### 8 Company Profit and Loss account

The Company has taken advantage of the exemption contained within Section 230 of the Companies Act 1985 and consequently a profit and loss account for Rosemont Holdings Limited is not presented. The profit dealt within the accounts of the company is £nil (Period 4 August to 31 December 2006 £nil)

## **Rosemont Holdings Limited**

### **Notes to the financial statements for the year ended 31 December 2007 (continued)**

#### **9 Intangible assets**

<b>Group</b>	<b>Total</b>
	<b>£'000</b>
<b>Cost or valuation</b>	
At 1 January 2007	86,426
Fair value adjustment (note 26)	884
<b>At 31 December 2007</b>	<b>87,310</b>
<b>Accumulated amortisation</b>	
At 1 January 2007	1,800
Charge for the year	4,366
Fair value adjustment	18
<b>At 31 December 2007</b>	<b>6,184</b>
<b>Net book amount</b>	
<b>At 31 December 2007</b>	<b>81,126</b>
At 31 December 2006	84,626

The goodwill arising on the acquisition of Acacia Biopharma Limited group is being amortised on a straight-line basis over 20 years. This period is the period over which the directors estimate that the value of the underlying business acquired is expected to exceed the value of the underlying assets.

## Rosemont Holdings Limited

### Notes to the financial statements for the year ended 31 December 2007 (continued)

#### 10 Tangible assets

Group	Land and buildings	Plant and machinery	Payments on account and assets in course of construction	Total
	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>				
At 1 January 2007	871	6,652	912	8,435
Additions	-	-	2,946	2,946
Transfers	649	666	(1,315)	-
Disposals	(137)	(762)	(126)	(1,025)
<b>At 31 December 2007</b>	<b>1,383</b>	<b>6,556</b>	<b>2,417</b>	<b>10,356</b>
<b>Accumulated depreciation</b>				
At 1 January 2007	514	4,001	-	4,515
Charge for the year	98	711	-	809
Disposals	(111)	(629)	-	(740)
<b>At 31 December 2007</b>	<b>501</b>	<b>4,083</b>	<b>-</b>	<b>4,584</b>
<b>Net book amount at 31 December 2007</b>	<b>882</b>	<b>2,473</b>	<b>2,417</b>	<b>5,772</b>
Net book amount at 31 December 2006	357	2,651	912	3,920

The company does not have fixed assets

## Rosemont Holdings Limited

### Notes to the financial statements for the year ended 31 December 2007 (continued)

#### 11 Investments

Company	Total
	£
Cost and net book amount at 31 December 2006 and 31 December 2007	2

Investments represent holdings in the following undertaking

Name of company	Country of Registration	Holding	Proportion held	Nature of business
Rosemont Group Limited	England	Ordinary shares	100%	Intermediary parent company

Rosemont Group Limited had the following investment at 31 December 2007

Name of company	Country of Registration	Holding	Proportion held	Nature of business
Acacia Biopharma Limited	England	Ordinary shares	100%	Intermediary parent company

Acacia Biopharma Limited had the following investment at 31 December 2007

Name of company	Country of Registration	Holding	Proportion held	Nature of business
Rosemont Limited	England	Ordinary shares	100%	Pharmaceuticals Manufacture and sale of oral liquid pharmaceuticals

## Rosemont Holdings Limited

### Notes to the financial statements for the year ended 31 December 2007 (continued)

#### 12 Stock

	2007 Group £'000	2007 Company £'000	2006 Group £'000	2006 Company £'000
Raw materials and consumables	964	-	557	-
Finished goods and goods for resale	1,783	-	1,048	-
	2,747	-	1,605	-

#### 13 Debtors

	2007 Group £'000	2007 Company £'000	2006 Group £'000	2006 Company £'000
Trade debtors	4,353	-	3,505	-
Amounts owed by group undertakings	-	1,044	-	1,719
Prepayments and accrued income	654	-	599	-
Other debtors	-	-	840	-
Corporation tax recoverable	184	-	607	-
	5,191	1,044	5,551	1,719

#### 14 Creditors – amounts falling due within one year

	2007 Group £'000	2007 Company £'000	2006 Group £'000	2006 Company £'000
Bank loans and overdrafts (note 16)	750	-	475	-
Trade creditors	1,091	-	922	-
Amounts owed to group undertakings	-	-	-	675
Other taxation and social security	912	-	634	-
Accruals and deferred income	1,363	-	1,654	-
	4,116	-	3,685	675

## Rosemont Holdings Limited

### Notes to the financial statements for the year ended 31 December 2007 (continued)

#### 15 Creditors – amounts falling due after more than one year

	2007 Group £'000	2007 Company £'000	2006 Group £'000	2006 Company £'000
Investor loan notes (note 16)	60,950	-	52,910	-
Bank loans (note 16)	47,767	-	47,069	-
	108,717	-	99,979	-

#### 16 Loans and other borrowings

Group	2007 £'000	2006 £'000
Loan notes (note 15 )	60,950	52,910
Bank loans (note 14,15)	48,517	47,544
	109,467	100,454
<b>Maturity of debt</b>		
In one year or less, or on demand	750	475
In more than one year, but not more than two years	1,775	750
In more than two years, but not more than five years	7,900	6,300
In more than five years	99,042	92,929
	109,467	100,454

The bank loans attract interest at differing rates. Facility A (£12.5m) is at LIBOR plus 2.25%, Facility B (£12.5m) is at LIBOR plus 2.75%, Facility C (£12.5m) is at LIBOR plus 3.25%, whilst the Mezzanine loan (£11m) is at LIBOR plus 4.25%. The loan notes attract interest at 16%.





## Rosemont Holdings Limited

### Notes to the financial statements for the year ended 31 December 2007 (continued)

#### 17 Provisions for liabilities and charges

Group	Total	
	£'000	
<b>Deferred tax</b>		
At 1 January 2007	49	
Credit to the profit and loss account	(1)	
<b>At 31 December 2007</b>	<b>48</b>	
	2007	2006
	£'000	£'000
<b>Deferred taxation provided in the accounts comprises</b>		
Accelerated capital allowances	87	65
Other timing differences	(39)	(16)
<b>Deferred tax provision</b>	<b>48</b>	<b>49</b>

There were no unprovided amounts of deferred taxation at 31 December 2007. No provisions are held by the Company.

#### 18 Called up share capital

Group and Company	2007	2006
	£'000	£'000
<b>Authorised</b>		
1,600,000 A ordinary shares of £0.10 each	160	160
400,000 ordinary shares of £0.10 each	40	40
	<b>200</b>	<b>200</b>
<b>Allotted and fully paid</b>		
1,600,000 A ordinary shares of £0.10 each	160	160
380,000 ordinary shares of £0.10 each	38	38
	<b>198</b>	<b>198</b>

## **Rosemont Holdings Limited**

### **Notes to the financial statements for the year ended 31 December 2007 (continued)**

#### **18 Called up share capital (continued)**

The A ordinary shares have priority over the ordinary shares in the event of a winding up. The A ordinary shares have enhanced voting rights over the ordinary shares in the event of a default on the part of the company. The A ordinary shares are convertible to ordinary shares at the company's option.

#### **19 Reserves**

	<b>Share premium account</b>	<b>Profit and loss account</b>
	<b>£'000</b>	<b>£'000</b>
At 1 January 2007	846	(3,548)
Sustained loss for the financial year	-	(8,302)
At 31 December 2007	846	(11,850)

#### **20 Reconciliation of movements in shareholders' deficit/(funds)**

	<b>2007 Group £'000</b>	<b>2007 Company £'000</b>
At 1 January 2007	(2,504)	1,044
Loss for the year	(8,302)	-
Net change in shareholders' deficit/(funds)	(8,302)	-
Shareholders' deficit/(funds) as at 31 December 2007	(10,806)	1,044



## Rosemont Holdings Limited

### Notes to the financial statements for the year ended 31 December 2007 (continued)

#### 21 Reconciliation of operating profit to net cash flow from operating activities

Group	2007 £'000	2006 £'000
Operating profit	5,531	1,756
Depreciation	809	272
Amortisation of goodwill	4,384	1,800
Amortisation of issue costs	222	93
(Decrease)/increase in provisions	(1)	18
(Increase)/decrease in stocks	(1,142)	162
Increase in debtors	(902)	(450)
Increase in creditors	154	615
<b>Net cash flow from continuing operations</b>	<b>9,055</b>	<b>4,266</b>

#### 22 Analysis of changes in net debt

Group	At 31 December 2006 £'000	Cash flow £'000	Other non cash changes £'000	At 31 December 2007 £'000
Cash at bank and in hand	5,507	1,732	-	7,239
Debt due after 1 year	(99,979)	-	(8,738)	(108,717)
Debt due within 1 year	(475)	-	(275)	(750)
<b>Total</b>	<b>(94,947)</b>	<b>1,732</b>	<b>(9,013)</b>	<b>(102,228)</b>

#### 23 Contingent liabilities

There were no significant contingent liabilities at 31 December 2007



## **Rosemont Holdings Limited**

### **Notes to the financial statements for the year ended 31 December 2007 (continued)**

#### **24 Capital and other commitments**

The group had no capital commitments at 31 December 2007 (2006 £135,000)

#### **25 Financial commitments**

At 31 December 2007 the group had annual commitments under non-cancellable operating leases expiring as follows

	<b>2007</b>		<b>2006</b>	
	<b>Land and buildings</b>	<b>Other</b>	<b>Land and buildings</b>	<b>Other</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
In one year or less	-	58	-	63
Between one and five years	340	137	250	135
More than five years	-	-	90	-
	<b>340</b>	<b>195</b>	<b>340</b>	<b>198</b>

## Rosemont Holdings Limited

### Notes to the financial statements for the year ended 31 December 2007 (continued)

#### 26 Goodwill on acquisition of Acacia Biopharma Limited

	Provisional fair value	Completion and hindsight period adjustments	Final fair value to the group
	£'000	£'000	£'000
Tangible fixed assets	3,636	-	3,636
Stock	1,766	-	1,766
Debtors	3,517	-	3,517
Creditors	(1,845)	-	(1,845)
Taxation	642	(884)	(242)
Cash	1,269	-	1,269
<b>Net assets acquired</b>	<b>8,985</b>	<b>(884)</b>	<b>8,101</b>
Goodwill	86,426	884	87,310
<b>Consideration</b>	<b>95,411</b>	<b>-</b>	<b>95,411</b>
<b>Consideration satisfied by:</b>			
Cash	95,411	-	95,411

The adjustment to fair value in the hindsight period relates to asset and liability valuation and existence assessments in the period

## **Rosemont Holdings Limited**

### **Notes to the financial statements for the year ended 31 December 2007 (continued)**

#### **27 Pensions**

The group operates a defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by trustees in a fund independent from those of the company. In the year, the group made regular payments totalling £245,000 (Period 4 August to 31 December 2006 £91,000). The amount outstanding at the year end to be paid over to the defined contributions pension scheme was £nil (2006 £nil).

#### **29 Related party disclosures**

Advantage has been taken of the exemption in Financial Reporting Standard 8 "Related Party Disclosure" not to disclose any transactions between the company and its subsidiary undertakings as these have been eliminated on consolidation in the consolidated financial statements.

#### **29 Ultimate parent undertaking**

The directors regard Close Securities Limited as the ultimate controlling party, by virtue of their interest in the issued share capital of Rosemont Holdings Limited.



