

VTS Buying Services Limited

Report and Financial Statements

Period Ended

30 September 2015

Company Number 09117448



VTs Buying Services Limited

**Report and financial statements
for the period ended 30 September 2015**

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Directors

J F Cleary Jr
M P Thompson

Registered office

Centaur House, Torbay Road, Castle Cary, Somerset, England, BA7 7EU

Company number

09117448

Auditors

BDO LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5RU

VTS Buying Services Limited

Report of the directors for the period ended 30 September 2015

The directors present their report together with the audited financial statements for the period ended 30 September 2015.

Principal activities

The principal activity of the Company in the period under review was that of a holding company.

The Company is a private limited company and is incorporated and domiciled in the UK. The registered number of the Company is 09117448.

At 30 September 2015 the ultimate parent undertaking and controlling party was Foundation Investment Partners 1 LP, incorporated in the UK. Subsequent to the year end the company was acquired by MWI Supply (UK Acquisition) Limited. The ultimate controlling party is AmerisourceBergen Corporation. The largest group in which the company is consolidated is AmerisourceBergen Corporation incorporated in the US. AmerisourceBergen Corporation's financial statements are publicly available from www.amerisourcebergen.com.

Results and dividends

The statement of comprehensive income is set out on page 5 and shows the profit for the period of £124,076.

No dividends have been paid or declared during the period.

Review of business and future developments

As the Company is non-trading, the Company's directors are of the opinion that analysis using Key Performance Indicators is not necessary for an understanding of the development, performance or position of the business.

The directors consider the prospects for the Group (being this company and its principal trading subsidiary, St Francis Limited) for the foreseeable future to be satisfactory.

On 2 December 2015 the Company was acquired by MWI Supply (UK Acquisition) Limited.

Financial risk management

The Group's operations may expose it to a variety of financial risks. These are discussed further in note 3 to the financial statements.

Charitable and political donations

The Company made no charitable or political donations in the period.

Directors

The directors of the company during the period were:

J B Hodgkin (Appointed 12 November 2014) (Resigned 2 December 2015)
S P Stephenson (Appointed 12 November 2014) (Resigned 2 December 2015)
N R Park (Appointed 12 November 2014) (Resigned 2 December 2015)
A White (Appointed 12 November 2014) (Resigned 2 December 2015)
G A D Whittaker (Appointed 4 July 2014) (Resigned 2 December 2015)
K A Willis (Appointed 29 July 2014) (Resigned 2 December 2015)

VTs Buying Services Limited

Report of the directors for the period ended 30 September 2015 (*continued*)

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 accounting 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the Board



M P Thompson
Director

24 JUNE 2016
Date

VTS Buying Services Limited

Independent auditor's report

TO THE MEMBERS OF VTS BUYING SERVICES LIMITED

We have audited the financial statements of VTS Buying Services Limited for the period ended 30 September 2015 which comprise the statement of total comprehensive income, the statement of financial position, the statement of cash flows, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2015 and of the company's profit for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

VTs Buying Services Limited

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, 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.

BDO ul 30 June 2016

Craig Burton (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor

Leeds

United Kingdom

Date

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

VTS Buying Services Limited

Statement of total comprehensive income for the period ended 30 September 2015

	Note	£
Revenue		
Services rendered		110,000
		<hr/>
Total revenues		110,000
Administrative expenses	14	(59,976)
Finance costs	15	(436,698)
Dividends received from subsidiary company		510,750
		<hr/>
Profit before tax		124,076
Tax expense	7	-
		<hr/>
Profit for the period		124,076
		<hr/>
Total comprehensive income for the period		124,076
		<hr/>
Profit and total comprehensive income attributable to:		
Equity holders of the company		124,076
		<hr/>

The company has no other items of comprehensive income and as such the statement of comprehensive income for the period agrees to the profit for the period.

The notes on pages 9 to 19 form part of these financial statements.

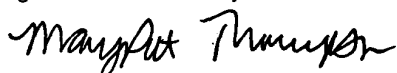
VTS Buying Services Limited

Statement of financial position at 30 September 2015

Company number	Note	£	£
Assets			
Non-current assets			
Investments in subsidiaries	8		8,703,773
Current Assets			
Amounts due from Subsidiary		12,000	
Other Debtors		43,836	
Cash at Bank		161,110	
			216,946
Total assets			8,920,719
Equity attributable to equity shareholders			
Ordinary shares	9	586,413	
Retained earnings		124,076	
Total equity			710,489
Liabilities			
Non-current liabilities			
Borrowings			
- Loan notes	12	3,900,000	3,900,000
Total non-current liabilities			
Current liabilities			
Other payables	11	300,730	
Bank loans	12	3,750,000	
Other loans	12	259,500	
Current liabilities			4,310,230
Total liabilities			8,210,230
Total equity and liabilities			8,920,719

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board of Directors on 24/06/16 and were signed on its behalf by:



M P Thompson
Director

The notes on pages 9 to 19 form part of these financial statements.

VTS Buying Services Limited

Statement of cash flows for the period ended 30 September 2015

	Note	£	£
Cash flows from operating activities	16		(3,306)
Income tax paid			-
Net cash generated in operating activities			(3,306)
Cash flows from investing activities			
Dividends received from subsidiary company		510,750	
Cash consideration for investment in subsidiary		(4,513,637)	
Net cash used in investing activities			(4,002,887)
Cash flows from financing activities			
Issue of share capital		555,777	
Bank loans received		4,200,000	
Bank loans repaid		(450,000)	
Loan interest paid		(138,474)	
Net cash generated from financing activities			4,167,303
Net movement in cash and cash equivalents			161,110
Cash and cash equivalents at the beginning of the period			-
Cash and cash equivalents at the end of the period			161,110

The notes on pages 9 to 19 form part of these financial statements.

VTS Buying Services Limited

Statement of changes in equity for the period ended 30 September 2015

	Ordinary share capital £	Retained earnings £	Total £
4 July 2014	-	-	-
Comprehensive income			
Profit or loss for the period	-	124,076	124,076
	<hr/>	<hr/>	<hr/>
Total comprehensive income	-	124,076	124,076
Contributions by and distributions to owners			
Issue of share capital	586,413	-	586,413
	<hr/>	<hr/>	<hr/>
Total contributions by and distributions to owners	586,413	-	586,413
	<hr/>	<hr/>	<hr/>
30 September 2015	586,413	124,076	710,489
	<hr/>	<hr/>	<hr/>

Retained earnings – the retained earnings represent cumulative net gains and losses recognised in the statement of total comprehensive income.

The notes on pages 9 to 19 form part of these financial statements.

VTB Buying Services Limited

Notes forming part of the financial statements for the period ended 30 September 2015

1 General information

VTB Buying Services Limited is a holding company. The company was incorporated on 4 July 2014 and these are the first set of financial statements which it has prepared.

The Company is a private limited company and is incorporated and domiciled in the UK. The registered office is Centaur House, Torbay Road, Castle Cary, Somerset, England, BA7 7EU.

At 30 September 2015 the ultimate parent undertaking and controlling party was Foundation Investment Partners 1 LP, incorporated in the UK. Subsequent to the year end the company was acquired by MWI Supply (UK Acquisition) Limited. The ultimate controlling party is AmerisourceBergen Corporation. The largest group in which the company is consolidated is AmerisourceBergen Corporation incorporated in the US. AmerisourceBergen Corporation's financial statements are publicly available from www.amerisourcebergen.com.

2 Accounting policies

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

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union ("adopted IFRSs") and are in accordance with IFRS as issued by the IASB. The financial statements have been prepared under the historical cost convention and on a going concern basis.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements are disclosed in note 4.

The IFRS primary financial statements are presented in accordance with IAS 1 - 'Presentation of Financial Statements'.

Single entity financial statements

The Company has taken advantage of the exemption from preparation of consolidated financial statements afforded by section 399 of the Companies Act 2006.

Accordingly, these financial statements present information about the Company itself only and do not provide consolidated financial information concerning the group as a whole.

VTS Buying Services Limited

Notes forming part of the financial statements for the period ended 30 September 2015 (continued)

2 Accounting policies (continued)

New accounting standards and interpretations

The following new standards, interpretations and amendments, which are not yet effective and have not been adopted early in this financial information, will or may have an effect on the Group's future financial statements:

IFRS 15 Revenue from Contracts with Customers, effective date 1 January 2018, subject to the endorsement by the EU. IFRS 15 is intended to clarify the principles of revenue recognition and establish a single framework for revenue recognition. This supersedes IAS 18 Revenue and the core principle is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The impact of this standard has not yet been assessed.

IFRS 9 Financial Instruments, effective date 1 January 2018, subject to the endorsement by the EU. IFRS 9 is a replacement for IAS 39 'Financial Instruments' and covers three distinct areas. Phase 1 contains new requirements for the classification and measurement of financial assets and liabilities. Phase 2 relates to the impairment of financial assets and requires the calculation of impairment on an expected loss basis rather than the current incurred loss basis. Phase 3 relates to less stringent requirements for general hedge accounting.

The impact of this standard has not yet been assessed.

IFRS 16 Leases, effective date 1 January 2019 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). IFRS 16 completes the IASB's project to improve the financial reporting of leases and replaces the previous leases Standard, IAS 17 Leases, and related Interpretations.

It is expected that this new standard will impact the Group with operating leases potentially being reclassified and recognised as right of use assets with a corresponding liability recognised.

Other standards not expected to have a material impact on the Group are:

- IAS 16 and IAS 38 amendments – Clarification of Acceptable Methods of Depreciation and Amortisation (effective 1 January 2016)
- IFRS 11 amendments – Accounting for Acquisition of Interest in Joint Operations (effective 1 January 2016)
- IAS 16 and IAS 41 amendments – Agriculture: Bearer Plants (effective 1 January 2016)
- IAS 27 amendments – Equity Method in Separate Financial Statements (effective 1 January 2016)
- IFRS 10 and IAS 28 amendments – Sales or Contribution of Assets between an Investor and in Associate or Joint Venture (effective 1 January 2016)
- IAS 1 amendments – Disclosure Initiative (effective 1 January 2016)
- Annual improvements 2012-2014 cycle (effective 1 January 2016)

VTB Buying Services Limited

Notes forming part of the financial statements for the period ended 30 September 2015 (continued)

2 Accounting policies (continued)

Foreign currency translation

(a) Functional and presentation currency

The functional and presentation currency of the Company is Pounds Sterling.

Investments in subsidiaries

All investments in subsidiaries are held at cost less impairment charges (if any). The cost of investments in subsidiaries includes expenditure that is directly attributable to the costs of acquiring subsidiary companies.

Recognition and measurement of financial assets

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the company commits to purchase the asset. Financial assets are derecognised when the risk and rewards of ownership have transferred.

Loans and receivables are subsequently carried at amortised cost using the effective interest rate method.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Other payables

Trade and other payables are non-derivative financial liabilities with fixed or determinable payments and relate to obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are included in current liabilities, except for maturities greater than 12 months after the statement of financial position date. These are classified as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised costs; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of total comprehensive income over the period of borrowings using the effective interest rate method.

Current income tax

The tax expense for the period comprises current tax. Tax is recognised in the statement of total comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the statement of financial position date. Management periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, it establishes provisions, when appropriate, as the basis of amounts expected to be paid to the tax authorities.

VTB Buying Services Limited

Notes forming part of the financial statements for the period ended 30 September 2015 (*continued*)

2 Accounting policies (*continued*)

Revenue

The company has 2 sources of revenues as follows:

(i) Management charges

The Company makes charges to its subsidiary company for various services and activities performed by the parent company on behalf of the subsidiary. These are recognised as the services and activities are performed.

(ii) Dividends received from subsidiary company

The Company receives dividends from its subsidiary company. These are recognised as revenue when the Company becomes entitled to receive such dividends, which is typically on receipt of the monies.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or, in the case of cumulative preference share dividends, the period in which the Company becomes contractually obliged to pay a dividend to the shareholders.

3 Financial risk management

Financial risk factors

The Company's operations expose it to a variety of financial risks that include the effects of liquidity risk and interest rate risk. The Company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the executive directors.

(a) Interest rate cash flow risk

The Company has interest bearing liabilities. Interest bearing liabilities comprise amounts due in respect of bank loans, which have an interest rate of LIBOR +4% and loan notes, which have a fixed interest rate of 8%.

(b) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Management regard the capital structure of the Company to consist of the ordinary and loan notes in issue. Management use dividends and cash repayments as the main tool of managing and returning surplus capital to shareholders and make such returns as and when surplus capital is identified. Note 12 discloses the repayments made this financial period.

(c) Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash to enable it to meet its operational requirements. Operating cash flows are actively managed with annual cash flow forecasts updated as required and subject to board review.

VTS Buying Services Limited

Notes forming part of the financial statements
for the period ended 30 September 2015 (*continued*)

3 Financial risk management (*continued*)

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

	Less than 1 year £	Between 1 and 2 Years £	Between 2 and 5 years £
At 30 September 2015			
Bank loans	3,750,000	-	-
Other loans	259,500	-	-
	<u> </u>	<u> </u>	<u> </u>

The Company's borrowings are analysed in note 12.

Bank loans are repayable at £150,000 per quarter. As a result of a technical breach of the Company's banking covenants prior to the year end this loan has been presented as due within one year.

At 30 September 2015 the company had outstanding loan notes of £3.9m which were due in more than 5 years. Following the acquisition of the Company by MWI supply (UK Acquisition) Limited these loan notes have been repaid in full.

4 Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The financial statements include no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5 Employee benefit expense

The Company did not incur any expenses in connection with employment during the year.

The directors did not receive any emoluments in respect of their services to the Company.

6 Auditors' remuneration

During the period the following services were obtained from the company's auditors:

	£
Fee's payable to auditor for the audit of the company's financial statements	<u>5,500</u>

VTS Buying Services Limited

Notes forming part of the financial statements
for the period ended 30 September 2015 (*continued*)

7	Tax expense	£
	<i>Current tax</i>	-
	Current tax on profits for the period	-
		<hr/>
	Total current tax	-
		<hr/>

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the tax rate applicable to the profit of the Company as follows:

	£
Profit before tax	124,076
	<hr/>
Tax calculated at domestic tax rates applicable at 20.5%	25,436
Effects of:	
Non taxable group income	(25,436)
	<hr/>
Current tax charge for period	-
	<hr/>

8	Investments in subsidiaries	£
	<i>Cost and net book value</i>	
	At 30 September 2015	8,703,773
		<hr/>

Principal subsidiaries

Name	Country of incorporation	Proportion of ordinary shares	Nature of business
St Francis Holdings Limited Subsidiary of St Francis Holdings Limited	UK	100%	Holding Company
St Francis Limited	UK	100%	Veterinary buying group
St Francis Australia PTY Limited	Australia	100%	Veterinary buying group

The proportion of the voting rights in the subsidiary companies do not differ from the proportion of ordinary shares held.

St Francis Holdings Limited was acquired on 12 November 2014 by the purchase of the entire share capital of the Company.

St Francis Australia PTY Limited was acquired on 28 January 2015 by the purchase of the entire share capital of the Company.

VTS Buying Services Limited

Notes forming part of the financial statements
for the period ended 30 September 2015 (continued)

8 Investments in subsidiaries (continued)

The aggregate capital and reserves of the subsidiary companies is as follows:

	£
St Francis Holdings Limited	4,528,487
St Francis Limited	755,563
St Francis Australia PTY Limited	373
	<hr/>
	5,284,423
	<hr/>

St Francis Holdings Limited reported a profit for the period of £729,257.

St Francis Limited reported a profit for the period of £933,205.

St Francis Australia PTY Limited did not trade throughout the period.

9 Share Capital

Share capital	Number of shares				
	'A' Ordinary Number	'B' ordinary Number	'C' ordinary Number	'D' ordinary Number	Total Number
As at 30 September 2015	418,500	61,275	20,424	55,578	555,777
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	Value of shares				
	'A' Ordinary	'B' ordinary	'C' ordinary	'D' ordinary	Total
	£	£	£	£	£
As at 30 September 2015	418,500	61,275	51,060	55,578	586,413
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The total authorised number of shares is 586,413. Classes A, B and D of ordinary shares have a par value of £ 1 per share and class C ordinary shares have a par value of £2.50. Within other debtors there is an amount of £30,636 which relates to unpaid consideration for class C Ordinary shares.

VTS Buying Services Limited

Notes forming part of the financial statements
for the period ended 30 September 2015 (*continued*)

10 Reserves

Retained
earnings
£

At 30 September 2014

Profit for the period

124,076

At 30 September 2015

124,076

11 Other payables

£

Current

Other payables

373

Social security and other taxes

2,133

Accrued expenses

298,224

Total current trade and other payables

300,730

Other payables represent the cost of capital of St Francis Australia PTY Limited.

Accrued expenses solely related to amounts accrued in respect of unpaid interest.

12 Borrowings

£

Non-current

Loan notes

3,900,000

3,900,000

Current

Bank loan

3,750,000

Other loans

259,500

4,009,500

VTS Buying Services Limited

Notes forming part of the financial statements
for the period ended 30 September 2015 (*continued*)

12 Borrowings (*continued*)

(i) Loan notes

The loan notes are unsecured, interest bearing debt instruments issued by the Company. Interest is payable at 8% and the loan notes are repayable at the holders request from 12 November 2021 or in the event of a sale of the business. The loan notes were repaid subsequent to the year-end as a result of the acquisition by MWI Supply (UK Acquisition) Limited

(ii) Bank loan

The Bank loan is secured through a cross-guarantee involving other members of the group. Interest is payable at LIBOR + 4% and the loan is repaid at £150,000 per quarter with the balance repayable on 31 October 2019. As a result of a technical breach of the Company's banking covenants prior to the year-end this loan has been presented as due within one year.

13 Financial instruments by category

Financial liabilities at amortised cost

	£
Borrowings	7,909,500
Other payables	373
Accrued expenses	298,224
	<hr/>
	8,208,097
	<hr/>

Financial assets at amortised cost

	£
Amounts due from group undertakings	12,000
Other debtors	43,836
Cash at bank	161,110
	<hr/>
	216,946
	<hr/>

14 Expenses by nature

	£
Professional fees	54,476
Auditors' remuneration	5,500
	<hr/>
Total administrative expenses	59,976
	<hr/>

VTs Buying Services Limited

**Notes forming part of the financial statements
for the period ended 30 September 2015 (continued)**

15	Finance income and costs	£
	Finance costs:	
	On bank loans	161,453
	On loan notes	275,245
		<hr/>
	Net finance costs	436,698
		<hr/>
16	Cash generated from operations	£
	Profit before tax	124,076
	Adjustments for:	
	Dividends from subsidiary companies	(510,750)
	Loan interest charged	436,698
	Increase in debtors	(55,836)
	Increase in creditors	2,506
		<hr/>
	Cash generated from operations	(3,306)
		<hr/>

17 Related party transactions

Sales of goods and services

During the period the Company received dividends of £510,750 from its subsidiary St Francis Holdings Limited, and management fees of £110,000 from its subsidiary St Francis Limited. At 30 September 2015 £12,000 was due from St Francis Limited and is included within debtors.

Key management compensation

The directors are considered to be the only key management of the business. The directors received no compensation in respect of services provided to this company during the period (see note 4).

VTS Buying Services Limited

Notes forming part of the financial statements
for the period ended 30 September 2015 (*continued*)

17 Related party transactions (*continued*)

Borrowings

At 30 September 2015 outstanding loan notes were due to the following directors of the Company :-

	£
J Hodgkin	144,500
A White	144,500
N Park	144,500
S Stephenson	72,250
T Spencer	72,250
	<hr/>
	578,000
	<hr/>

Interest was paid at 8% and the loan notes were repaid subsequent to the year-end as a result of the acquisition of the Company by MWI Supply (UK acquisition) Limited.

18 Ultimate controlling party

At 30 September 2015 the ultimate parent undertaking and controlling party was Foundation Investment Partners 1 LP, incorporated in the UK. Subsequent to the year end the company was acquired by MWI Supply (UK Acquisition) Limited. The ultimate controlling party is AmerisourceBergen Corporation. The largest group in which the company is consolidated is AmerisourceBergen Corporation incorporated in the US. AmerisourceBergen Corporation's financial statements are publicly available from www.amerisourcebergen.com.