

Company Registration No. 2658906

England and Wales

ASPAR PHARMACEUTICALS LIMITED

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
30 SEPTEMBER 2016**

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ASPAR PHARMACEUTICALS LIMITED

COMPANY INFORMATION

Directors

T.E. Prudhoe
Mrs S.J. Prudhoe
J.E. Prudhoe

Secretary

J.E. Prudhoe

Company number

2658906

Registered office

York House
Church Lane
Chalfont St Peter
Gerrards Cross
Buckinghamshire
SL9 9RE

Business address

29-30 Capitol Way
Colindale
London
NW9 0EQ

Auditors

David Morgan & Co Ltd
52 High Street
Harrow-on-the-Hill
Middlesex
HA1 3LL

Accountants

Bass Sadler & Co
York House
Church Lane
Chalfont St Peter
Gerrards Cross
Buckinghamshire
SL9 9RE

ASPAR PHARMACEUTICALS LIMITED

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ASPAR PHARMACEUTICALS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2016

The directors present their strategic report on the company for the year ended 30 September 2016.

Review of the business

The principal activity of the company continued to be that of manufacturing, packaging and distribution of pharmaceutical products.

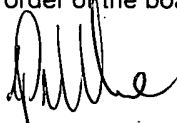
The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

As with many businesses of our size, the business environment in which we operate continues to be challenging. The generic analgesic market in the UK is highly competitive and regulated and competition from both within and without the UK is strong. With these risks and uncertainties in mind we are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control.

The company is in a very strong position at the year end with net assets of £8.5M (2015 - £7.5M). The company is close to the completion of its freehold factory property and anticipates production commencing during 2017. The company has invested heavily in new plant and machinery for the new factory and the directors are confident that margins will continue to improve and turnover rise year on year.

We consider our key financial performance indicators are those that communicate the financial performance of the company as a whole, these being turnover, gross profit, net profit before tax and return on capital employed. The turnover of the company was £13.5M in 2016, (£12.0M - 2015) an increase of 12.5% over the year. Gross margins have risen in the year from 50.0% in 2015 to 50.6% in 2016. Net profit before tax amounted to £1.56M in 2016, as against £1.39M in 2015, an increase of £170K (12.2%). The return on capital employed reflected the increase in capital expenditure on plant and machinery and the completion of the new freehold property and fell over the course of the year from 15% in 2015 to 12% in 2016. Return on capital employed is calculated as profit after tax divided by total net assets.

By order of the board



J.E. Prudhoe

Secretary

25 May 2017

ASPAR PHARMACEUTICALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2016

The directors present their report and financial statements for the year ended 30 September 2016.

Future developments

The disclosure of future developments is set out in the Strategic Report on Page 1.

Results and dividends

The results for the year are set out on page 6.

No interim ordinary dividend was paid. - The directors do not recommend payment of a final dividend.

Directors

The following directors have held office since 1 October 2015:

T.E. Prudhoe

Mrs S.J. Prudhoe

J.E. Prudhoe

Disabled persons

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Taxation status

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

Auditors

The auditors, David Morgan & Co Ltd, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

ASPAR PHARMACEUTICALS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

Directors' responsibilities

The directors are responsible for preparing the Strategic Report and 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 the directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial REporting Standard applicable in the UK and ROI", and applicable law (United Kingdom Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied they give a true and fair view of the state of affairs of the company and of the profit and loss of the company in 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;
- state whether applicable accounting standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure to auditors

The directors at the date of approval of this report each confirm that:

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



J.E. Prudhoe

Secretary

25 May 2017

ASPAR PHARMACEUTICALS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ASPAR PHARMACEUTICALS LIMITED

Report on the financial statements

Our Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the statement of financial position as at 30 September 2016;
- the income statement and statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and Directors' Report. We have nothing to report in this respect.

Other matters on which we are to report by exception

Adequacy of accounting records and information and explanations received

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

ASPAR PHARMACEUTICALS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF ASPAR PHARMACEUTICALS LIMITED

- we have not received all the information and explanations we require for our audit.

We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 3, 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 Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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 consent in writing.

What an audit of the financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In additions, we read all the financial and non financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements..


Simon Byrne (Senior Statutory Auditor)
for and on behalf of David Morgan & Co Ltd

25 May 2017

Chartered Accountants
Statutory Auditor

52 High Street

Harrow-on-the-Hill
Middlesex
HA1 3LL

ASPAR PHARMACEUTICALS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Notes	2016 £	2015 £
Turnover	5	13,532,941	11,992,795
Cost of sales		(6,685,049)	(6,000,964)
Gross profit		6,847,892	5,991,831
Administrative expenses		(5,184,478)	(4,529,236)
Other operating income		(18,695)	19,776
Operating profit	6	1,644,719	1,482,371
Other interest receivable and similar income	7	8,677	12,144
Interest payable and similar charges	8	(94,889)	(100,875)
Profit on ordinary activities before taxation		1,558,507	1,393,640
Tax on profit on ordinary activities	9	(588,354)	(266,847)
Profit for the year	19	970,153	1,126,793

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

ASPAR PHARMACEUTICALS LIMITED

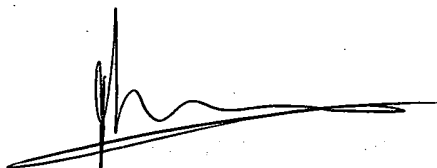
BALANCE SHEET

AS AT 30 SEPTEMBER 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Property, plant & equipment	10	9,186,381		4,625,629	
Financial Assets	11	75,000		75,000	
		<u>9,261,381</u>		<u>4,700,629</u>	
Current assets					
Inventories	12	1,486,850	1,613,750		
Trade and other receivables	13	2,264,299	2,117,569		
Cash and cash equivalents		282	2,948,335		
		<u>3,751,431</u>	<u>6,679,654</u>		
Creditors: amounts falling due within one year	14	<u>(2,986,077)</u>	<u>(2,390,580)</u>		
Net current assets		<u>765,354</u>		<u>4,289,074</u>	
Total assets less current liabilities		<u>10,026,735</u>		<u>8,989,703</u>	
Creditors: amounts falling due after more than one year	15	(1,362,635)	(1,482,960)		
Provisions for liabilities	16	<u>(187,204)</u>			
		<u>8,476,896</u>	<u>7,506,743</u>		
Capital and reserves					
Called up share capital	18	45,100	45,100		
Retained earnings	19	8,431,796	7,461,643		
Shareholders' funds	20	<u>8,476,896</u>	<u>7,506,743</u>		

Approved by the Board and authorised for issue on 25 May 2017

T.E. Prudhoe
Director



Company Registration No. 2658906

ASPAR PHARMACEUTICALS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Called-up share capital	Retained earnings	Total equity
Balance as at 1 October 2014	45,100	6,334,850	6,379,950
Profit for the financial year		1,126,793	1,126,793
Total comprehensive income for the year		1,126,793	1,126,793
Balance as at 30 September 2015	45,100	7,461,643	7,506,743
Balance as at 1 October 2015	45,100	7,461,643	7,506,743
Profit for the financial year		970,153	970,153
Total comprehensive income for the year		970,153	970,153
Balances as at 30 September 2016	45,100	8,431,796	8,476,896

ASPAR PHARMACEUTICALS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2016

	2016	2015
	£	£
Net cash inflow from operating activities	2,961,068	2,265,807
Returns on investments and servicing of finance		
Interest received	8,677	12,144
Interest paid	(94,889)	(100,875)
Net cash outflow for returns on investments and servicing of finance	(86,212)	(88,731)
Taxation	(239,990)	(178,898)
Capital expenditure		
Payments to acquire tangible assets	(5,636,008)	(583,431)
Receipts from sales of tangible assets	41,914	12,000
Net cash outflow for capital expenditure	(5,594,094)	(571,431)
Net cash (outflow)/inflow before management of liquid resources and financing	(2,959,228)	1,426,747
Financing		
Repayment of long term bank loan	(114,341)	(108,357)
Net cash outflow from financing	(114,341)	(108,357)
(Decrease)/increase in cash in the year	(3,073,569)	1,318,390

ASPAR PHARMACEUTICALS LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2016

1	Reconciliation of operating profit to net cash inflow from operating activities	2016	2015
		£	£
	Operating profit	1,644,719	1,482,371
	Depreciation of tangible assets	1,046,223	443,345
	Profit on disposal of tangible assets	(12,881)	(9,757)
	Decrease in stocks	126,900	72,512
	(Increase)/decrease in debtors	(220,197)	56,693
	Increase in creditors within one year	376,304	220,643
	Net cash inflow from operating activities	2,961,068	2,265,807

2	Analysis of net (debt)/funds	1 October 2015	Cash flow	Other non-cash changes	30 September 2016
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	2,948,335	(2,948,053)	-	282
	Bank overdrafts	(16,622)	(125,516)	-	(142,138)
		<u>2,931,713</u>	<u>(3,073,569)</u>	<u>-</u>	<u>(141,856)</u>
	Bank deposits	-	-	-	-
	Debt:				
	Debts falling due within one year	(108,357)	(5,984)	-	(114,341)
	Debts falling due after one year	(1,482,960)	120,325	-	(1,362,635)
		<u>(1,591,317)</u>	<u>114,341</u>	<u>-</u>	<u>(1,476,976)</u>
	Net funds/(debt)	1,340,396	(2,959,228)	-	(1,618,832)

3	Reconciliation of net cash flow to movement in net (debt)/funds	2016	2015
		£	£
	(Decrease)/increase in cash in the year	(3,073,569)	1,318,390
	Cash outflow from decrease in debt	114,341	108,357
	Movement in net (debt)/funds in the year	(2,959,228)	1,426,747
	Opening net funds/(debt)	1,340,396	(86,351)
	Closing net (debt)/funds	(1,618,832)	1,340,396

ASPAR PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2016

1 General Information

Aspar Pharmaceuticals Limited manufactures analgesics for the wholesale and retail trade from its plant in Colindale, London and sells primarily within the UK.

It is a private limited company, limited by shares, domiciled in England and Wales, registration number 02658906.

Registered address:

29-30 Capitol Way
Colindale
LONDON
NW9 0EQ

The Presentation currency is £ sterling.

2 Statement of Compliance

The financial statements of Aspar Pharmaceuticals Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard FRS 102, "the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS102") and the Companies Act 2006.

ASPAR PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

3.1 Accounting convention

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of land and buildings and certain financial assets and liabilities measured at fair value through the profit and loss account. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements are disclosed in note 4.

3.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

3.3 Turnover

Turnover represents amounts receivable for goods and services rendered net of VAT and trade discounts. The company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer (b) the company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to each of the company's sales channels have been met, as described below.

Sale of goods - wholesale: The company manufactures a range of analgesics in the wholesale market. Sales of goods are recognised on delivery to the wholesaler/retailer, when the wholesaler/retailer has full discretion over the channel and price to sell the product and there is no unfulfilled obligation that could affect the wholesaler/retailer's acceptance of the product.

3.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

i) Land & buildings include freehold and leasehold factories. Land and buildings are stated at cost less accumulated depreciation and accumulated impairment losses.

ii) Plant and machinery and fixtures and fittings are stated at cost less accumulated depreciation and accumulated impairment losses.

Land and buildings Freehold	2% on cost (buildings only)
Plant and machinery	20% on cost
Fixtures, fittings & equipment	20% on cost
Motor vehicles	25% on cost

ASPAR PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

3 Accounting policies

(continued)

3.5 Leasing

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

3.6 Investments

i) Investment in subsidiary company

Investment in subsidiary company is held at cost less accumulated impairment losses.

3.7 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Inventories are recognised as an expense in the period in which the related revenues are recognised. Cost is determined on the FIFO Method. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition. The cost of manufactured finished goods and work in progress, raw materials, direct labour and other direct costs and related production overheads.

3.8 Pensions

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

3.9 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity respectively.

i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

ASPAR PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

3 Accounting policies

(continued)

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

3.10 Foreign currency translation

i) Functional and presentation currency

The company's functional and presentation currency is the pound sterling.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except where deferred in other comprehensive income as qualifying cash flow hedges.

3.11 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a medium sized group. However, due to the immateriality of the subsidiary in comparison to its parent company the directors have decided not to consolidate the financial statements.

ASPAR PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements 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.

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

ii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

5 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

6	Operating profit	2016 £	2015 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	1,046,223	443,345
	Loss on foreign exchange transactions	18,695	-
	Operating lease rentals	199,097	195,597
	Auditors' remuneration (including expenses and benefits in kind)	6,250	6,250
	and after crediting:		
	Profit on disposal of tangible assets	(12,881)	(9,757)
	Profit on foreign exchange transactions	-	(19,776)

ASPAR PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

7	Investment income	2016	2015
		£	£
	Bank interest	8,677	12,144
		<u>8,677</u>	<u>12,144</u>
8	Interest payable	2016	2015
		£	£
	On loans repayable after five years	94,889	100,875
		<u>94,889</u>	<u>100,875</u>
9	Taxation	2016	2015
		£	£
	Domestic current year tax		
	U.K. corporation tax	327,706	240,013
		<u>327,706</u>	<u>240,013</u>
	Total current tax	327,706	240,013
	Deferred tax		
	Origination and reversal of timing differences	260,648	26,834
		<u>260,648</u>	<u>26,834</u>
		<u>588,354</u>	<u>266,847</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	1,558,507	1,393,640
		<u>1,558,507</u>	<u>1,393,640</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2015 - 20.50%)	311,701	285,696
		<u>311,701</u>	<u>285,696</u>
	Effects of:		
	Depreciation add back	209,245	88,886
	Capital allowances	(193,240)	(134,569)
		<u>16,005</u>	<u>(45,683)</u>
	Current tax charge for the year	327,706	240,013
		<u>327,706</u>	<u>240,013</u>

ASPAR PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

10 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Fixtures, Motor fittings & vehicles equipment		Total
	£	£	£	£	£
Cost					
At 1 October 2015	4,134,732	6,612,121	972,761	135,950	11,855,564
Additions	1,808,279	3,207,015	518,244	102,470	5,636,008
Disposals	-	-	-	(91,450)	(91,450)
At 30 September 2016	5,943,011	9,819,136	1,491,005	146,970	17,400,122
Depreciation					
At 1 October 2015	-	6,227,172	907,584	95,179	7,229,935
On disposals	-	-	-	(62,417)	(62,417)
Charge for the year	118,860	795,571	116,676	15,116	1,046,223
At 30 September 2016	118,860	7,022,743	1,024,260	47,878	8,213,741
Net book value					
At 30 September 2016	5,824,151	2,796,393	466,745	99,092	9,186,381
At 30 September 2015	4,134,732	384,949	65,177	40,771	4,625,629

ASPAR PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

11 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 October 2015 & at 30 September 2016	75,000
Net book value	
At 30 September 2016	75,000
At 30 September 2015	75,000

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Sestri (Sales) Limited	United Kingdom	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves 2016 £	Profit/(loss) for the year 2016 £
	Principal activity		
Sestri (Sales) Limited	Distributing pharmaceuticals	116,338	21,112

12 Stocks and work in progress

	2016 £	2015 £
Raw materials and consumables	596,480	246,545
Work in progress	364,364	795,330
Finished goods and goods for resale	526,006	571,875
	<u>1,486,850</u>	<u>1,613,750</u>

ASPAR PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

13 Debtors	2016	2015
	£	£
Trade debtors	1,970,786	1,783,404
Other debtors	960	1,010
Prepayments and accrued income	292,553	259,688
Deferred tax asset (see note 16)	-	73,467
	<u>2,264,299</u>	<u>2,117,569</u>

14 Creditors: amounts falling due within one year	2016	2015
	£	£
Bank loans and overdrafts	256,479	124,979
Trade creditors	1,999,971	1,588,397
Amounts owed to subsidiary undertakings	75,000	75,000
Corporation tax	327,706	240,013
Other taxes and social security costs	121,194	137,255
Accruals and deferred income	205,727	224,936
	<u>2,986,077</u>	<u>2,390,580</u>

ASPAR PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

15 Creditors: amounts falling due after more than one year	2016 £	2015 £
Bank loans	1,362,635	1,482,960
Analysis of loans		
Wholly repayable within five years	1,476,976	1,591,317
	1,476,976	1,591,317
Included in current liabilities	(114,341)	(108,357)
	1,362,635	1,482,960
Loan maturity analysis		
In more than one year but not more than two years	122,000	115,000
In more than two years but not more than five years	343,000	350,000
In more than five years	1,011,976	1,126,317

The loan is secured by way of a debenture dated 21/12/2010 over the freehold property at Albany House.

16 Provisions for liabilities

	Deferred tax liability £
Balance at 1 October 2015	(73,444)
Profit and loss account	260,648
Balance at 30 September 2016	187,204

The deferred tax liability is made up as follows:

	2016 £	2015 £
Accelerated/(decelerated) capital allowances	187,204	(73,467)

ASPAR PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

17 Pension and other post-retirement benefit commitments

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £31,370 (2015- £28,628). Contributions totalling £0 (2015- £0) were payable to the fund at the year end and are included in creditors.

	2016 £	2015 £
Contributions payable by the company for the year	31,370	28,628

18 Share capital

Allotted, called up and fully paid
45,100 Ordinary shares of £1 each

	2016 £	2015 £
	45,100	45,100

19 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 October 2015	7,461,643
Profit for the year	970,153
Balance at 30 September 2016	8,431,796

20 Reconciliation of movements in shareholders' funds

	2016 £	2015 £
Profit for the financial year	970,153	1,126,793
Opening shareholders' funds	7,506,743	6,379,950
Closing shareholders' funds	8,476,896	7,506,743

ASPAR PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

21 Financial commitments

At 30 September 2016 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 September 2017:

	Land and buildings		Other	
	2016	2015	2016	2015
	£	£	£	£
Operating leases which expire:				
Within one year	195,598	-	20,993	41,213
Between two and five years	-	195,598	-	-
	<u>195,598</u>	<u>195,598</u>	<u>20,993</u>	<u>41,213</u>

22 Capital commitments

2016
£

2015
£

At 30 September 2016 the company had capital commitments as follows:

Contracted for but not provided in the financial statements	940,841	-
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23 Directors' remuneration

2016
£

2015
£

Remuneration for qualifying services	407,458	405,766
--------------------------------------	---------	---------

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0 (2015 - 3).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	228,785	225,000
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ASPAR PHARMACEUTICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

24 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2016 Number	2015 Number
Production	61	61
Administration	6	6
Sales	1	1
	<u>68</u>	<u>68</u>

Employment costs

	2016 £	2015 £
Wages and salaries	2,628,402	2,525,590
Other pension costs	31,370	28,628
	<u>2,659,772</u>	<u>2,554,218</u>

25 Control

The ultimate controlling party is T.E. Prudhoe, a director of the company.

ASPAR PHARMACEUTICALS LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2016

	2016		2015	
	£	£	£	£
Turnover				
Sales		13,532,941		11,992,795
Cost of sales				
Opening stock	1,613,751		1,686,262	
Purchases	4,795,675		5,548,664	
Commissions payable	20,130		16,274	
Carriage and transport	404,143		363,515	
	<u>6,833,699</u>		<u>7,614,715</u>	
Closing stock	(148,650)		(1,613,751)	
		<u>(6,685,049)</u>		<u>(6,000,964)</u>
Gross profit		<u>6,847,892</u>		<u>5,991,831</u>
Administrative expenses				
Wages and salaries	2,278,113		2,174,824	
Directors' remuneration	350,289		350,766	
Staff pension costs	31,370		28,628	
Training course fees	3,969		5,156	
Rent, rates and service charge	199,097		195,597	
Rates	233,640		209,182	
Insurance	47,607		36,628	
Light and heat	178,106		160,907	
Cleaning and waste disposal	85,763		67,654	
Repairs, renewals and maintenance	79,962		97,773	
Printing, postage, stationery and advertising	33,914		35,152	
Telephone	7,726		8,815	
I.T. support and computer accessories	34,172		48,218	
Hire of equipment	20,993		41,213	
Motor, travel & entertaining	40,892		15,841	
Legal and professional fees	115,054		45,796	
Laboratory, factory & quality control expenses	266,495		356,280	
Accountancy	12,650		10,750	
Audit fees	6,250		6,250	
Bank charges	8,248		4,037	
Protective clothing and staff welfare	32,642		30,468	
Sundry expenses	40,183		43,278	
Licences & trade subscriptions	44,001		122,435	
Depreciation on freehold property	118,860		-	
Depreciation on plant and machinery	795,571		372,059	
Depreciation on FF & E	116,676		57,573	
Depreciation on motor vehicles	15,116		13,713	
Profits/losses on disp of tangibles	<u>(12,881)</u>		<u>(9,757)</u>	
		<u>5,184,478</u>		<u>4,529,236</u>

ASPAR PHARMACEUTICALS LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

	1,663,414	1,462,595
Other operating income		
Exchange gains	(18,695)	19,776
	<u> </u>	<u> </u>
Operating profit for the period	1,644,719	1,482,371
Other interest receivable and similar income		
Bank interest received	8,677	12,144
Interest payable		
Non-bank interest paid on loans >5yrs	(94,889)	(100,875)
	<u> </u>	<u> </u>
Profit before taxation	<u>1,558,507</u>	<u>1,393,640</u>