

Company Registration No. 2658906 (England and Wales)

ASPAR PHARMACEUTICALS LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014

SATURDAY



A49Y7XFU

A11

20/06/2015

#274

COMPANIES HOUSE

ASPAR PHARMACEUTICALS LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3
Abbreviated profit and loss account	4
Abbreviated balance sheet	5
Cash flow statement	6
Notes to the cash flow statement	7
Notes to the abbreviated accounts	8 - 17

ASPAR PHARMACEUTICALS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2014

The directors present their report and financial statements for the year ended 30 September 2014.

Principal activities and 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 £6.6M and cash in the bank at £1.8M.

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 £11.4M in 2014, (£10.2M - 2013) an increase of 11.8% over the year. Gross margins have risen in the year from 46.7% in 2013 to 47.0% in 2014. Net profit before tax amounted to £1.07M in 2014, as against £908K in 2013, an increase of £161K (18%). The return on capital employed reflected the rise in profitability increasing from 12.7% in 2013 to 14.0% in 2014. Return on capital employed is calculated as profit after tax divided by total net assets.

Results and dividends

The results for the year are set out on page 0.

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 2013:

T.E. Prudhoe

Mrs S.J. Prudhoe

J.E. Prudhoe

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 2014

Statement of 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 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). 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.

Statement of disclosure to auditors

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. Frudhoe

Secretary

18 June 2015

ASPAR PHARMACEUTICALS LIMITED

INDEPENDENT AUDITORS' REPORT TO ASPAR PHARMACEUTICALS LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 4 to 17, together with the financial statements of ASPAR PHARMACEUTICALS LIMITED for the year ended 30 September 2014 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Chapter 10 of Part 15 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



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

18 June 2015

Chartered Accountants
Statutory Auditor

52 High Street
Harrow-on-the-Hill
Middlesex
HA1 3LL

ASPAR PHARMACEUTICALS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Notes	2014 £	2013 £
Turnover		11,398,195	10,194,766
Other operating income less cost of sales		(6,035,918)	(5,428,713)
Administrative expenses		(4,196,425)	(3,758,017)
Operating profit	2	1,165,852	1,008,036
Other interest receivable and similar income		11,019	13,585
Interest payable and similar charges	4	(107,863)	(113,827)
Profit on ordinary activities before taxation		1,069,008	907,794
Tax on profit on ordinary activities	5	(172,618)	(205,874)
Profit for the year	15	896,390	701,920

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

ABBREVIATED BALANCE SHEET

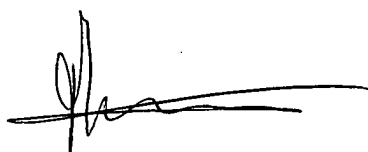
AS AT 30 SEPTEMBER 2014

	Notes	2014 £	£	2013 £	£
Fixed assets					
Tangible assets	6	4,487,786		3,927,712	
Investments	7	75,000		75,000	
		<u>4,562,786</u>		<u>4,002,712</u>	
Current assets					
Stocks	8	1,686,262		1,298,681	
Debtors	9	2,201,096		2,121,872	
Cash at bank and in hand		1,818,714		1,816,279	
		<u>5,706,072</u>		<u>5,236,832</u>	
Creditors: amounts falling due within one year	10	(2,290,601)		(2,050,346)	
Net current assets		<u>3,415,471</u>		<u>3,186,486</u>	
Total assets less current liabilities		<u>7,978,257</u>		<u>7,189,198</u>	
Creditors: amounts falling due after more than one year	11	(1,598,307)		(1,705,638)	
		<u>6,379,950</u>		<u>5,483,560</u>	
Capital and reserves					
Called up share capital	14	45,100		45,100	
Profit and loss account	15	6,334,850		5,438,460	
Shareholders' funds	16	<u>6,379,950</u>		<u>5,483,560</u>	

These abbreviated accounts have been prepared in accordance with the special provisions in section 445(3) of the Companies Act 2006 relating to medium-sized companies.

Approved by the Board and authorised for issue on 18 June 2015

T.E. Prudhoe
Director



Company Registration No. 2658906

ASPAR PHARMACEUTICALS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2014

	£	2014 £	£	2013 £
Net cash inflow from operating activities		1,287,799		1,213,660
Returns on investments and servicing of finance				
Interest received	11,019		13,585	
Interest paid	(107,863)		(113,827)	
Net cash outflow for returns on investments and servicing of finance		(96,844)		(100,242)
Taxation		(197,159)		(198,936)
Capital expenditure				
Payments to acquire tangible assets	(971,110)		(641,833)	
Receipts from sales of tangible assets	-		3,500	
Net cash outflow for capital expenditure		(971,110)		(638,333)
Net cash inflow before management of liquid resources and financing		22,686		276,149
Financing				
Repayment of long term bank loan	(101,367)		(95,403)	
Net cash outflow from financing		(101,367)		(95,403)
(Decrease)/increase in cash in the year		(78,681)		180,746

ASPAR PHARMACEUTICALS LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2014

1	Reconciliation of operating profit to net cash inflow from operating activities	2014	2013
		£	£
	Operating profit	1,165,852	1,008,036
	Depreciation of tangible assets	411,036	401,078
	Profit on disposal of tangible assets	-	(3,500)
	Increase in stocks	(387,581)	(256,499)
	Increase in debtors	(72,944)	(41,643)
	Increase in creditors within one year	171,436	106,188
	Net cash inflow from operating activities	1,287,799	1,213,660

2	Analysis of net debt	1 October 2013	Cash flow	Other non-cash changes	30 September 2014
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	1,816,279	2,435	-	1,818,714
	Bank overdrafts	(124,275)	(81,116)	-	(205,391)
		<u>1,692,004</u>	<u>(78,681)</u>	<u>-</u>	<u>1,613,323</u>
	Bank deposits	-	-	-	-
	Debt:				
	Debts falling due within one year	(95,403)	(5,964)	-	(101,367)
	Debts falling due after one year	(1,705,638)	107,331	-	(1,598,307)
		<u>(1,801,041)</u>	<u>101,367</u>	<u>-</u>	<u>(1,699,674)</u>
	Net debt	(109,037)	22,686	-	(86,351)

3	Reconciliation of net cash flow to movement in net debt	2014	2013
		£	£
	(Decrease)/increase in cash in the year	(78,681)	180,746
	Cash outflow from decrease in debt	101,367	95,403
	Movement in net debt in the year	22,686	276,149
	Opening net debt	(109,037)	(385,186)
	Closing net debt	(86,351)	(109,037)

ASPAR PHARMACEUTICALS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 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).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 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:

Land and buildings Freehold	Nil
Land and buildings Leasehold	Straight line over the length of the lease
Plant and machinery	20% on cost
Fixtures, fittings & equipment	20% on cost
Motor vehicles	25% on cost

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.7 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

1.8 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.9 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.10 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 small-sized group. The company has therefore taken advantage of the exemptions provided by section 399 of the Companies Act 2006 not to prepare group accounts.

ASPAR PHARMACEUTICALS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

2	Operating profit	2014 £	2013 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	411,036	401,078
	Operating lease rentals	386,848	380,656
	Auditors' remuneration (including expenses and benefits in kind)	6,000	6,000
	and after crediting:		
	Profit on disposal of tangible assets	-	(3,500)

3	Investment income	2014 £	2013 £
	Bank interest	11,019	13,585
		<u>11,019</u>	<u>13,585</u>

4	Interest payable	2014 £	2013 £
	On loans repayable after five years	<u>107,863</u>	<u>113,827</u>

ASPAR PHARMACEUTICALS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

5	Taxation	2014 £	2013 £
	Domestic current year tax		
	U.K. corporation tax	178,898	197,159
	Total current tax	178,898	197,159
	Deferred tax		
	Origination and reversal of timing differences	(6,280)	8,715
		<u>172,618</u>	<u>205,874</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>1,069,008</u>	<u>907,794</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.59% (2013 - 22.58%)	<u>230,799</u>	<u>204,980</u>
	Effects of:		
	Depreciation add back	88,763	90,171
	Capital allowances	(140,664)	(98,312)
	Other tax adjustments	-	320
		<u>(51,901)</u>	<u>(7,821)</u>
	Current tax charge for the year	<u>178,898</u>	<u>197,159</u>

ASPAR PHARMACEUTICALS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

6 Tangible fixed assets

	Land and buildings Freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 October 2013	3,162,477	6,159,647	877,790	129,610	10,329,524
Additions	463,735	439,678	67,696	-	971,109
	<u>3,626,212</u>	<u>6,599,325</u>	<u>945,486</u>	<u>129,610</u>	<u>11,300,633</u>
At 30 September 2014	3,626,212	6,599,325	945,486	129,610	11,300,633
Depreciation					
At 1 October 2013	-	5,508,593	797,891	95,328	6,401,812
Charge for the year	-	346,520	52,120	12,395	411,035
	<u>-</u>	<u>5,855,113</u>	<u>850,011</u>	<u>107,723</u>	<u>6,812,847</u>
At 30 September 2014	-	5,855,113	850,011	107,723	6,812,847
Net book value					
At 30 September 2014	<u>3,626,212</u>	<u>744,212</u>	<u>95,475</u>	<u>21,887</u>	<u>4,487,786</u>
At 30 September 2013	<u>3,162,477</u>	<u>651,054</u>	<u>79,899</u>	<u>34,282</u>	<u>3,927,712</u>

ASPAR PHARMACEUTICALS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2014

7 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 October 2013 & at 30 September 2014	75,000
Net book value	
At 30 September 2014	75,000
At 30 September 2013	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 2014 £	Profit/(loss) for the year 2014 £
	Principal activity		
Sestri (Sales) Limited	Distributing pharmaceuticals	42,049	70,000

8 Stocks and work in progress

	2014 £	2013 £
Raw materials and consumables	753,030	707,639
Work in progress	378,433	-
Finished goods and goods for resale	554,799	591,042
	<u>1,686,262</u>	<u>1,298,681</u>

ASPAR PHARMACEUTICALS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

9 Debtors	2014 £	2013 £
Trade debtors	1,814,616	1,812,180
Amounts owed by participating interests	3,710	2,407
Other debtors	960	960
Prepayments and accrued income	281,509	212,304
Deferred tax asset (see note 12)	100,301	94,021
	<u>2,201,096</u>	<u>2,121,872</u>

10 Creditors: amounts falling due within one year	2014 £	2013 £
Bank loans and overdrafts	306,758	219,678
Trade creditors	1,409,930	1,306,084
Amounts owed to subsidiary undertakings	75,000	75,000
Corporation tax	178,898	197,159
Other taxes and social security costs	189,548	120,204
Accruals and deferred income	130,467	132,221
	<u>2,290,601</u>	<u>2,050,346</u>

ASPAR PHARMACEUTICALS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

11 Creditors: amounts falling due after more than one year	2014 £	2013 £
Bank loans	1,598,307	1,705,638
Analysis of loans		
Wholly repayable within five years	1,699,674	1,801,041
	1,699,674	1,801,041
Included in current liabilities	(101,367)	(95,403)
	1,598,307	1,705,638
Loan maturity analysis		
In more than one year but not more than two years	111,000	102,000
In more than two years but not more than five years	340,000	300,000
In more than five years	1,137,784	1,399,041

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

12 Provisions for liabilities

The deferred tax asset (included in debtors, note 9) is made up as follows:

	2014 £	2013 £
Balance at 1 October 2013	(94,021)	
Profit and loss account	(6,280)	
Balance at 30 September 2014	(100,301)	
	2014 £	2013 £
Decelerated capital allowances	(100,301)	(94,021)

ASPAR PHARMACEUTICALS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

13 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 £12,035 (2013- £10,388). Contributions totalling £0 (2013- £0) were payable to the fund at the year end and are included in creditors.

	2014 £	2013 £
Contributions payable by the company for the year	12,035	10,388

14 Share capital

	2014 £	2013 £
Allotted, called up and fully paid 45,100 Ordinary shares of £1 each	45,100	45,100

15 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 October 2013	5,438,460
Profit for the year	896,390
Balance at 30 September 2014	6,334,850

16 Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Profit for the financial year	896,390	701,920
Opening shareholders' funds	5,483,560	4,781,640
Closing shareholders' funds	6,379,950	5,483,560

ASPAR PHARMACEUTICALS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

17 Financial commitments

At 30 September 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 September 2015:

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Operating leases which expire:				
Within one year	-	-	31,481	27,067
Between two and five years	195,598	195,598	-	-
	<u>195,598</u>	<u>195,598</u>	<u>31,481</u>	<u>27,067</u>

18 Directors' remuneration

	2014	2013
	£	£
Remuneration for qualifying services	<u>350,443</u>	<u>261,619</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2013 - 3).

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

Remuneration for qualifying services	<u>200,000</u>	<u>126,328</u>
--------------------------------------	----------------	----------------

ASPAR PHARMACEUTICALS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

19 Employees

Number of employees

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

	2014 Number	2013 Number
Production	58	54
Administration	6	6
Sales	1	1
	<u>65</u>	<u>61</u>

Employment costs

	2014 £	2013 £
Wages and salaries	2,282,268	2,016,184
Other pension costs	12,035	10,388
	<u>2,294,303</u>	<u>2,026,572</u>