Albany Molecular Research Limited

Directors' report and financial statements

Registered number 05045523

Year ended 31 December 2014

Contents

Company information

Directors

D J Shepherd	(Resigned 30 June 2015)
D C Lathbury	(Resigned 31 March 2014)
L M Henderson	
M Nolan	(Resigned 3 February 2015)
F Ladin	(Appointed 30 June 2015)

Auditor
KPMG LLP
1 St Peter's Square
Manchester
M2 3AE

Bankers
Barclays
5 St Ann's Street
Quayside
Newcastle upon Tyne
NE1 3DX

Solicitors
DLA Piper UK LLP
Princes Exchange Princes Square
Leeds
LS1 4BY

Registered Office
Mostyn Road
Holywell
Flintshire
CH8 9DN

Strategic report

The directors present their annual strategic report and the audited financial statements for the financial year ended 31 December 2014.

Principal activities

The principal activity of the company during the year was the provision of a head office and management function to its subsidiary companies. These subsidiaries offer chemistry services and products to customers in the pharmaceutical, biotech and chemicals value chain.

Results and dividends

The loss for the year after taxation amounted to £1,701,000 (*2013: Loss £209,000*). The directors do not recommend payment of a final ordinary dividend.

Business review

The business continued to experience significant growth in turnover during 2014 with revenue increasing by 40% against the 2013 level to £10,457,000 (*2013: £7,468,000*). A number of new products were introduced to the site and growth was seen in the majority of regions (UK, Asia and N.America).

Throughout 2014 the business cost base continued to be well managed and was in-line with forecast. It is believed that the UK business and the Holywell site provided an attractive offering with a relatively low cost base, close integration of functions on the site, substantial manufacturing experience across a broad range of chemistry and a well-established quality management system, as well as access to global AMRI resources and expertise.

As a consequence of the increased revenue and continued control of costs, the business operating profit improved compared to 2013 and moved from a loss position previously to one of profit. In 2014 an operating profit of £112,000 was achieved against a loss of £130,000 in 2013.

During 2014 the business received quality regulatory inspections from both the Medicines and Healthcare Products Regulatory Agency (MHRA) and the US Food and Drug Administration (FDA) against the requirements of Good Manufacturing Practice (cGMP). Both inspections were successfully concluded with the Holywell site's EU GMP certificate for manufacture of active substances re-issued.

Following a review of the UK-based business in January 2015 Albany Molecular Research Inc. (the parent company) announced that it planned to close the Holywell site. The original strategy for the UK site was to act as a conduit between Europe and the United States. However the site has not been able to do this in a way that maximises value for their customers and shareholders at the parent company and is not aligned to the new strategy direction of the parent company. It was subsequently confirmed that operations at the site will cease by the end of 2015.

Key performance indicators

The local management use a number of financial and non-financial indicators to measure the performance of the business. The financial indicators include revenue growth, booked to bill ratio (orders received compared to invoices raised), gross margin and opportunity visible pipeline; the key non-financial indicators include safety metrics, absenteeism and delivery adherence. For the year to December 2014 the year on year revenue growth was 40% (*2013: 46%*).

Principal Risks and Uncertainties

The company operates in an extremely competitive Contract Research Organisation market environment. The key risks and uncertainties identified as facing the business are:

1. Competition from Far East companies that operate within a lower cost base and hence are able to attract business at lower prices. This may be mitigated by implementing cost reduction initiatives and operating to high standards of quality and customer service.

2. The company may be impacted by strategic decisions of large customers and their internal product pipelines. The business is mitigating this by seeking to diversify its portfolio and working with customers in other markets and with later phase / commercial products.

Strategic report (continued)

Future Developments

The company continues to build on the sales growth by way of investment in its quality standards, people and equipment; and constantly reviewing and fine tuning the sales and operation strategies.

By order of the board,

L M Henderson
Director

Mostyn Road
Holywell
Flintshire
CH8 9DN

Date: 25 SEPTEMBER 2015

Group Directors' report

The directors present their report and the audited financial statements for the financial year ended 31 December 2014.

Directors

The directors who held office during the year were as follows:

D J Shepherd	(Resigned 30 June 2015)
D C Lathbury	(Resigned 31 March 2014)
L M Henderson	
M Nolan	(Resigned 3 February 2015)
F Ladin	(Appointed 30 June 2015)

M Nolan is also a director of the ultimate parent undertaking, Albany Molecular Research Inc. and his interests (including options) in this company are disclosed in the group financial statements of that company.

Going concern

Since the year end, the ultimate parent undertaking, Albany Molecular Research Inc. (the 'Group') announced the plan to close the UK facility by the end of 2015. As a result, the directors have not prepared the financial statements of the Company on a going concern basis. The effect of this is explained in note 1.

Political and charitable contributions

During the year, the company made charitable donations totalling £250 (*2013: £450*) and political contributions of £nil (*2013: £nil*).

Disclosure of information Financial risk management policy

The Company's principal financial investments comprise cash, cash equivalents and loans. Other financial assets and liabilities, such as trade creditors and trade debtors, arise directly from the company's operating activities.

The main risks associated with the company's financial assets and liabilities are set out below:

Interest rate risk

The Group invests surplus cash in a floating rate interest yielding bank deposit account and has access to a floating rate interest bearing overdraft facility. Term loans are entered into at floating interest rates. The Group interest income and expenses are therefore affected by movements in interest rates. The Group does not undertake any hedging activity.

Credit risk

The Group does not extend credit to external debtors without having assessed their creditworthiness as satisfactory.

Liquidity risk

The Group aims to mitigate liquidity risk by managing cash generated by its operations.

Foreign currency risk

The Group's operations are materially split between inter-company and third party debt. The Group seeks to mitigate the effect of its currency exposures by firstly reviewing the extent to which a natural hedge exists in its US Dollar and Euro transactions, and secondly if there is a potential exposure seeking to put in place an appropriate foreign currency hedge. As a result, the Group's exposure to foreign currency risk is minimal, as at the balance sheet date.

Disclosure of information to the auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he/ she ought to have taken as a director to make himself/ herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Group Directors' report (continued)

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board,

LM Henderson
Director

Mostyn Road
Holywell
Flintshire
CH8 9DN

Date 25 SEPTEMBER 2015

Statement of directors' responsibilities in respect of the Group Directors' Report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

KPMG LLP

1 St Peter's Square
Manchester
M2 3AE
United Kingdom

Independent auditor's report to the members of Albany Molecular Research Limited

We have audited the financial statements of Albany Molecular Research Limited for the year ended 31 December 2014 set out on pages 9 to 22. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council'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 group's and the parent company's affairs as at 31 December 2014 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - non-going concern basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reasons set out in that note.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Group Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Albany Molecular Research Limited *(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 parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

M Jones.

Hywel Jones (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

30 September 2015.

Group Profit and Loss Account

for the year ended 31 December 2014

	Note	31 December 2014 £000	31 December 2013 £000
Turnover	*2*	**10,457**	7,468
Cost of sales		**(9,613)**	(7,017)
Gross profit		**844**	451
Administrative expenses		**(732)**	(581)
Operating profit/(loss)	*2-3*	**112**	(130)
Exceptional item - Tangible assets impairment	*8*	**(1,758)**	-
Loss on ordinary activities before interest and taxation		**(1,646)**	**(130)**
Interest payable and similar charges	*6*	**(55)**	(79)
Loss on ordinary activities before taxation		**(1,701)**	(209)
Tax on loss on ordinary activities	*7*	**-**	-
Loss for the financial period		**(1,701)**	(209)

The results shown above are derived wholly from continuing operations.

Group Statement of total recognised gains and losses

for the year ended 31 December 2014

There are no recognised gains or losses other than the loss attributable to the shareholders of the company of £1,701,000 for the year ended 31 December 2014, and the loss of £209,000 for the year ended 30 December 2013.

The notes on pages 12 to 22 form part of the financial statements.

Group Balance Sheet
at 31 December 2014

	Note	31 December 2014 £000	31 December 2013 £000
Current assets			
Tangible assets	*8*	**1,753**	3,414
Stocks	*10*	**1,295**	1,089
Debtors	*11*	**2,855**	2,246
Cash at bank and in hand		**733**	187
		6,636	6,936
Creditors: amounts falling due within one year	*12*	**(3,281)**	(2,430)
Net assets		**3,355**	4,506
Capital and reserves			
Called up share capital	*14*	**11,437**	10,887
Share premium account	*14*	**349**	349
Capital contribution	*14*	**6,271**	6,271
Profit and loss account	*14*	**(14,702)**	(13,001)
Shareholders' funds		**3,355**	4,506

The notes on pages 12 to 22 form part of the financial statements.

These financial statements were approved by the board of directors on 25/9/15 and were signed on its behalf by:

LM Henderson
Director

Company Balance Sheet
at 31 December 2014

	Note	31 December 2014 £000	31 December 2013 £000
Current assets			
Investments	*9*	**3,355**	9,995
Creditors: amounts falling due within one year	*12*	**-**	(1,582)
Net assets		**3,355**	8,413
Capital and reserves			
Called up share capital	*15*	**11,437**	10,887
Share premium account	*15*	**349**	349
Profit and loss account	*15*	**(8,431)**	(2,823)
Shareholders' funds		**3,355**	8,413

The notes on pages 12 to 22 form part of the financial statements.

These financial statements were approved by the board of directors on 25/9/15 and were signed on its behalf by:

L M Henderson
Director

Notes

(forming part of the financial statements)

1 Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable UK accounting standards.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2014. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

Basis of preparation

In previous years, the financial statements have been prepared on a going concern basis. However, in February 2015, the Group took the decision to close down the UK facility by the end of 2015. As the company is not going to be a going concern in the next twelve months, the directors have not prepared the financial statements on a going concern basis. As a result, fixed assets ('tangible assets') and investments have been reclassified as current assets. Adjustments were made to impair the tangible assets and investments to the net realisable value (see notes 8 and 9 for further details). No other adjustments were necessary to the remaining net assets included in these financial statements.

Investments

Investments are stated at cost less provision for any impairment.

Tangible fixed assets and depreciation

All fixed assets are initially recorded at cost.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset over its expected useful life, as follows:

Freehold property and improvements	-	10 to 40 years, straight line
Equipment, plant and machinery	-	3 to 12 years, straight line

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition as follows:

Raw materials and goods for resale	-	purchase cost on a first-in, first-out basis
Work in progress and finished goods	-	cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Notes *(continued)*

1 Accounting policies *(continued)*

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. To the extent that invoices are raised in advance of supply, appropriate adjustments are made through deferred income.

Research and development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised in line with the expected future sales from the related project. Amortisation commences when commercial production of products from the related project begins.

Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Deferred tax

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Deferred taxation assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred taxation is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Pensions

The Group operates a defined contribution pension scheme and contributes to personal pension arrangements for certain directors. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the schemes.

Leasing and hire purchase commitments

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Cash flow statement

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

Notes *(continued)*

2 Analysis of turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties except in respect of contracting activities where turnover represents the value of work carried out during the period including accounts not invoiced. Turnover is wholly attributable to the group's one principal continuing activity.

An analysis of turnover by geographical market is given below:

	Group	
	31 December 2014 Turnover £000	31 December 2013 Turnover £000
By geographical market		
United Kingdom	**3,772**	2,131
European Union (excluding UK)	**297**	760
Asia/Australasia	**3,905**	2,521
North America	**2,436**	1,951
Rest of World	**47**	105
	10,457	7,468

3 Operating Profit/(loss)

This is stated after charging:

	Group	
	31 December 2014 £000	31 December 2013 £000
Auditors' remuneration - audit	**22**	19
Depreciation of owned tangible assets	**304**	261
Operating lease rentals - plant and machinery	**36**	29

Notes *(continued)*

4 Remuneration of directors

	Group	
	31 December 2014 £000	31 December 2013 £000
Directors' emoluments	**116**	88
Company contributions to money purchase pension schemes	**8**	7

	Group	
	No.	No.
Money purchase schemes	**1**	2

A director of the company has his salary recharged to Albany Molecular Research Incorporated which reflects his position in the group of Vice President of Chemical Development, a corporate position. The proportion of emoluments reflecting his services for this company was £7,000 (*2013: £26,000*).

Notes *(continued)*

5 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the period, analysed by category, was as follows:

Number of employees

	Group	
	31 December 2014	31 December 2013
Management	**6**	6
Administration	**3**	4
Production	**63**	52
	72	62

	Group	
	31 December 2014 £000	31 December 2013 £000
Wages and salaries	**2,278**	2,108
Social security costs	**242**	225
Other pension costs	**137**	129
	2,657	2,462

6 Interest payable and similar charges

	Group	
	31 December 2014 £000	31 December 2013 £000
Finance costs	**55**	79

Notes *(continued)*

7 Taxation

(a) There is no tax charge for the period.

(b) Factors affecting the current tax charge.

The tax assessed on the loss on ordinary activities for the period is lower (*2013: lower*) than the standard rate of corporate tax in the UK of 21.50% (*2013: 23.25%*). The differences are reconciled below:

	Group	
	31 December 2014 £000	31 December 2013 £000
Current tax reconciliation		
Loss on ordinary activities before tax	**(1,701)**	(209)
Loss on ordinary activities multiplied by a standard rate of tax in the UK of 21.50% (*2013: 23.25%*)	**(366)**	(48)
Effects of:		
Expenses not deductible for tax	**-**	-
Capital allowances in excess of depreciation	**307**	40
R&D expenditure credits	**-**	8
Other timing differences	**2**	-
Unrelieved tax losses carried forward	**57**	-
Total current tax charge (see above)	**-**	-

(c) Factors that may affect future tax charges.

A reduction in the UK corporation tax rate from 24% to 23% (effective 1 April 2013) was substantively enacted on 3 July 2012. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the company's future current tax charge accordingly.

The unrecognised deferred taxation asset is as follows:

	Group	
	31 December 2014 £000	31 December 2013 £000
Tax losses	**1,516**	1,463
Other timing differences	**4**	2
Accelerated capital allowances	**264**	148
	1,784	1,613

Notes *(continued)*

8 Tangible fixed assets

Group

	Freehold property £000	Plant and Machinery £000	Total £000
Cost			
At 31 December 2013	2,500	4,368	6,868
Additions	-	623	623
Disposal	-	(782)	(782)
At 31 December 2014	2,500	4,209	6,709
Depreciation			
At 31 December 2013	842	2,612	3,454
Provided during the year	24	280	304
Depreciation released on disposal	-	(560)	(560)
Impairment	824	934	1,758
At 31 December 2014	1,690	3,266	4,956
Net book value			
At 31 December 2014	**810**	**943**	**1,753**
At 31 December 2013	1,658	1,756	3,414

The Group is not going to be a going concern due to the plan for closure by the end of 2015. Accordingly, tangible fixed assets have been re-classed to current assets. Impairment of £1,758,000 is recorded to write the assets down to the net realisable value. Accordingly, the impairment has been shown as an exceptional item in the face of the profit and loss account.

The company has no tangible fixed assets.

9 Fixed asset investments

	£000
Cost and net book value	
At 31 December 2013	**9,995**
Additions	**550**
Write down of investment	**(7,190)**
At 31 December 2014	3,355

Notes *(continued)*

Details of the principal investments in which the company holds more than 10% of the nominal value of any class of share capital is as follows:

Subsidiary undertakings	**Proportion Held**	**Nature of business**
Albany Molecular Research (UK) Limited	100%	Manufacturing of pharmaceutical products

The results for Albany Molecular Research (UK) Limited for the same period have been consolidated in to these financial statements. All shareholdings in subsidiary undertakings, which are all incorporated and registered in England and Wales, represent ordinary share capital of that company.

10 Stocks

	Group	
	31 December 2014 £000	31 December 2013 £000
Raw materials and consumables	**675**	303
Work in progress - intermediates	**620**	786
	1,295	1,089

The company holds no stock.

11 Debtors

	Group	
	31 December 2014 £000	31 December 2013 £000
Trade debtors	**2,485**	2,025
Amounts owed by group undertakings	**-**	44
Other debtors	**65**	80
Prepayments and accrued income	**305**	97
	2,855	2,246

The company has no debtors.

Notes *(continued)*

12 Creditors: amounts falling due within one year

	Group		Company	
	31 December 2014 £000	31 December 2013 £000	**31 December 2014 £000**	31 December 2013 £000
Trade creditors	**1,000**	882	-	-
Amounts payable to group undertakings	**650**	1,124	-	1,582
Loan payable to group undertaking	**1,132**	-	-	-
Other taxes and social security costs	**110**	72	-	-
Other creditors	**289**	245	-	-
Accruals and deferred income	**100**	107	-	-
	3,281	2,430	-	1,582

In October 2014 Albany Molecular Research Ltd entered in to a loan agreement with Albany Molecular Research Singapore Pte. Ltd for the principal sum of $1,750,000, with a maturity date of October 2019. Interest shall be accrued equal to one year of GBP LIBOR plus a margin of 3.25%, reset on the anniversary of the agreement. The balance is included in current liabilities as settlement of the loan is expected to be done within twelve months of these accounts.

13 Called up share capital

	31 December 2014 No.	31 December 2013 No.	**31 December 2014 £000**	31 December 2013 £000
Allotted, called up and fully paid				
Ordinary shares of £0.10 each	**114,372,170**	108,872,170	**11,437**	10,887

During 2014 share allotments were made for 5,500,000 shares issued to Albany Molecular Research Incorporated for the value of £550,000. The raised funds were used to inject additional working capital in to the subsidiary.

14 Reconciliation of shareholders' funds and movements on reserves

Group

	Called up share capital £000	**Share premium account** £000	**Capital Contribution** £000	**Profit and loss account** £000	**Total shareholders' funds** £000
At 31 December 2012	8,102	349	6,271	(12,792)	1,930
Issue of shares	2,785	-	-	-	2,785
(Loss) for the year	-	-	-	(209)	(209)
At 31 December 2013	10,887	349	6,271	(13,001)	4,506
Issue of shares	550	-	-	-	550
(Loss) for the year	-	-	-	(1,701)	(1,701)
At 31 December 2014	**11,437**	**349**	**6,271**	**(14,702)**	**3.355**

Notes *(continued)*

15 Reconciliation of shareholders' funds and movements on reserves

Company

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total shareholders' funds £000
At 31 December 2012	8,102	349	(2,823)	5,628
Issue of shares	2,785	-	-	2,785
At 31 December 2013	10,887	349	(2,823)	8,413
Issue of shares	550	-	-	550
(Loss) for the year	-	-	(5,608)	(5,608)
At 31 December 2014	**11,437**	**349**	**(8,431)**	**3,355**

16 Pension commitments

The group operates a defined contribution pension scheme on behalf of the directors and certain employees and contributes to personal pension arrangements for certain directors. The assets of the schemes are held separately from those of the group in independently administered funds. The group had outstanding liabilities of £32,000 at 31 December 2014 *(2013: £19,000)*.

17 Other financial commitments

a) At 31 December 2014 the company had annual commitments under non-cancellable operating leases as set out below:

	Other	
	31 December 2014 £000	31 December 2013 £000
Operating leases which expire:		
Within 2-5 years	**36**	29

(b) The group has £103,000 authorised capital commitments at 31 December 2014 *(2013: £149,000)*.

18 Related party transactions

The company has taken advantage of the exemption permitted by Financial Reporting Standard 8 and has not disclosed transactions with other group companies.

19 Post year end event

On 2 April 2015, Albany Molecular Research Incorporated (AMRI) announced the decision to close its Holywell UK facility following a consultation process with employee representatives. AMRI will transition activities at the Holywell site to other facilities within the AMRI network and plans to cease operations at the site by the end of 2015.

The impact of this has been explained further in note 1.

Notes *(continued)*

20 Ultimate parent undertaking and controlling party

The company's immediate and ultimate parent undertaking and controlling party is Albany Molecular Research Incorporated, a NASDAQ quoted company, which is incorporated in the Unites States of America. Copies of the financial statements for Albany Molecular Research Incorporated are available from its registered office: 26 Corporate Circle, Albany, NY.