

**Albany Molecular Research Limited**

**Directors' report and financial  
statements**

Registered number 05045523

Year ended 31 December 2013

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## **Company information**

### **Directors**

D J Shepherd  
L M Henderson  
M Nolan

### **Auditor**

KPMG LLP  
St James' Square  
Manchester  
M2 6DS

### **Bankers**

Barclays  
71 Grey Street  
Newcastle upon Tyne  
NE99 1JP

### **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 2013.

### 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 £208,734 (2012: £1,676,000). The directors do not recommend payment of a final ordinary dividend.

### Business review

The review is focused on the trading subsidiary Albany Molecular Research (UK) Ltd. The business continued to experience significant growth in turnover during 2013 with revenue increasing by 46% against the 2012 level £7,468,000 (2012: £5,103,000). A key factor in driving the revenue growth was the return of a long-established pharmaceutical product to anticipated demand levels following a period of inventory reduction by our customer. In addition, a number of new products were introduced to the site and there were indications that demand for development products is returning to previous levels of activity.

Throughout 2013 the business cost base continued to be well managed and was in-line with forecast. The business continues to look for ways to further reduce costs and offset increases seen in areas such as energy and this has included utilising the corporate material purchasing group based in India. It is believed that the UK business and the Holywell site continue to provide an attractive offering with a relatively low cost base and close integration of functions on the site, as well as access to global AMRI resources and expertise.

During 2013 a loan payable to the AMRI group (£1,145,000) became due and was repaid and this, along with an increase in working capital associated with stock to support the increased activity level, resulted in a significant increase in the net current assets of the business £2,675,000 (2012: £227,000).

As a consequence of the increased revenue and continued control of costs, the business operating loss reduced substantially compared to 2012 £130,000 (2012: £1,604,000) demonstrating continued progress towards profitability following the downturn and restructuring made in 2009.

The Holywell site continues to be an integral part of AMRI SMARTSOURCING™ in both providing intermediates to other AMRI locations for further processing and also benefitting from services provided by other facilities such as analytical support from Hyderabad in India. AMRI personnel have also travelled both to the Holywell site and from the Holywell site to provide seamless transfer of processes around the AMRI network.

AMRI has continued to invest in the Holywell facility via a capital expenditure programme of approximately £400,000 during 2013. The key projects included provision of a new wiped film evaporator and reactors to support the introduction of a new product to the business, addition of further laboratory reactor systems and improvements to site access control and analytical equipment. During 2013 the project to refurbish the Unit 2000 production facility was completed and as a result new business was undertaken in that plant throughout the latter part of 2013 and has continued into 2014.

Although there were no quality regulatory inspections during 2013 the site continued to host a number of customer quality audits and these were completed successfully. The site continued to operate to the requirements of cGMP and was also successfully recertified against the ISO9001 standard.

The Health & Safety Executive and UK Environment Agency both inspected the site during 2013 with no significant non-conformances reported.

## Strategic report (continued)

### 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 2013 the year on year revenue growth was 46% (2012: 33%) and a booked to bill ratio of 1.29 (2012: 0.83).

### 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.

### 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,



**D J Shepherd**  
*Director*

Mostyn Road  
Holywell  
Flintshire  
CH8 9DN

Date: 01/AUG/2014

## Group Directors' report

The directors present their report and the audited financial statements for the financial year ended 31 December 2013.

### Directors

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

D J Shepherd  
D C Lathbury (Resigned 31 March 2014)  
L M Henderson  
M Nolan

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.

### Political and charitable contributions

During the year, the company made charitable donations totalling £450 (2012: £nil) and political contributions of £nil (2012: £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,



**D J Shepherd**  
*Director*

Mostyn Road  
Holywell  
Flintshire  
CH8 9DN

Date 01/AUG/2014

## **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

St James' Square  
Manchester  
M2 6DS  
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 2013 set out on pages 9 to 21. 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 5, 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](http://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 2013 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.

#### **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.

*Hywel Jones*

**Hywel Jones (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
St James' Square  
Manchester  
M2 6DS

*7 August 2014.*

**Group Profit and Loss Account**  
*for the year ended 31 December 2013*

	<i>Note</i>	<b>31 December 2013 £000</b>	31 December 2012 £000
<b>Turnover</b>	2	<b>7,468</b>	5,103
<b>Cost of sales</b>		<b>(7,017)</b>	(6,177)
		<hr/>	<hr/>
<b>Gross profit/(loss)</b>		<b>451</b>	(1,074)
Administrative expenses		<b>(581)</b>	(530)
		<hr/>	<hr/>
<b>Operating (loss)</b>	2-3	<b>(130)</b>	(1,604)
Interest payable and similar charges	6	<b>(79)</b>	(72)
		<hr/>	<hr/>
<b>(Loss) on ordinary activities before taxation</b>		<b>(209)</b>	(1,676)
Tax on (loss) on ordinary activities	7	-	-
		<hr/>	<hr/>
<b>(Loss) for the financial period</b>		<b>(209)</b>	(1,676)
		<hr/> <hr/>	<hr/> <hr/>

The results shown above are derived wholly from continuing operations.

**Group Statement of total recognised gains and losses**  
*for the year ended 31 December 2013*

There are no recognised gains or losses other than the loss attributable to the shareholders of the company of £209,000 for the year ended 31 December 2013, and the loss of £1,676,000 for the year ended 30 December 2012.

The notes on pages 12 to 21 form part of the financial statements.

**Group Balance Sheet**  
at 31 December 2013

	<i>Note</i>	<b>31 December 2013 £000</b>	31 December 2012 £000
<b>Fixed assets</b>			
Tangible assets	8	3,414	3,285
<b>Current assets</b>			
Stocks	10	1,089	673
Debtors	11	2,246	1,234
Cash at bank and in hand		187	364
		<b>3,522</b>	<b>2,271</b>
<b>Creditors: amounts falling due within one year</b>	12	<b>(2,430)</b>	<b>(3,626)</b>
<b>Net current assets/(liabilities)</b>		<b>1,092</b>	<b>(1,355)</b>
<b>Total assets less current liabilities</b>		<b>4,506</b>	<b>1,930</b>
<b>Creditors: amounts falling due after more than one year</b>	13	-	-
<b>Net assets</b>		<b>4,506</b>	<b>1,930</b>
<b>Capital and reserves</b>			
Called up share capital	15	10,887	8,102
Share premium account	15	349	349
Capital contribution	15	6,271	6,271
Profit and loss account	15	(13,001)	(12,792)
<b>Shareholders' funds</b>		<b>4,506</b>	<b>1,930</b>

The notes on pages 12 to 21 form part of the financial statements.

These financial statements were approved by the board of directors on 01/AUG/14 and were signed on its behalf by:



**D J Shepherd**  
Director

**Company Balance Sheet**  
*at 31 December 2013*

	<i>Note</i>	<b>31 December 2013 £000</b>	31 December 2012 £000
<b>Fixed assets</b>			
Investments	9	9,995	7,210
		<hr/>	<hr/>
<b>Creditors: amounts falling due within one year</b>	12	<b>(1,582)</b>	(1,582)
		<hr/>	<hr/>
<b>Net current liabilities</b>		<b>(1,582)</b>	(1,582)
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		<b>8,413</b>	5,628
		<hr/>	<hr/>
<b>Net assets</b>		<b>8,413</b>	5,628
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	15	10,887	8,102
Share premium account	15	349	349
Profit and loss account	15	<b>(2,823)</b>	(2,823)
		<hr/>	<hr/>
<b>Shareholders' funds</b>		<b>8,413</b>	5,628
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 01/AUG/14 and were signed on its behalf by:



**D J Shepherd**  
*Director*

## Notes

*(forming part of the financial statements)*

### 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 2013. 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.

#### *Going concern*

The Group and Company accounts have been prepared on the going concern basis as the company's ultimate parent undertaking, Albany Molecular Research Incorporated has undertaken to provide continuing financial support and not to demand repayment of the amounts due to it until the company's resources permit.

In the opinion of the directors the going concern concept remains applicable due to the commitments described above.

#### *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 based on a normal level of activity	-	cost of direct materials and labour plus attributable overheads

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)*

**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:

	<b>Group</b>	
	<b>31 December 2013 Turnover £000</b>	<b>31 December 2012 Turnover £000</b>
<i>By geographical market</i>		
United Kingdom	2,131	1,286
European Union (excluding UK)	760	1,659
Asia/Australasia	2,521	294
North America	1,951	1,864
Rest of World	105	-
	<u>7,468</u>	<u>5,103</u>

**Operating loss**

This is stated after charging:

	<b>Group</b>	
	<b>31 December 2013 £000</b>	<b>31 December 2012 £000</b>
Auditors' remuneration - audit	19	19
Depreciation of owned fixed assets	261	269
Operating lease rentals - plant and machinery	29	5
	<u>29</u>	<u>293</u>





**Notes** *(continued)*

**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**

	<b>Group</b>	
	<b>31 December 2013</b>	31 December 2012
Management	6	7
Administration	4	4
Production	52	50
	<hr/>	<hr/>
	<b>62</b>	<b>61</b>
	<hr/> <hr/>	<hr/> <hr/>

	<b>Group</b>	
	<b>31 December 2013 £000</b>	31 December 2012 £000
Wages and salaries	2,108	2,050
Social security costs	225	216
Other pension costs	129	129
	<hr/>	<hr/>
	<b>2,462</b>	<b>2,395</b>
	<hr/> <hr/>	<hr/> <hr/>

**Interest payable and similar charges**

	<b>Group</b>	
	<b>31 December 2013 £000</b>	31 December 2012 £000
Finance costs	79	72
	<hr/> <hr/>	<hr/> <hr/>

**Notes** *(continued)*

**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 than the standard rate of corporation tax in the UK of 23.25% (2012: 24.50%). The difference is reconciled as follows:

*Analysis of charge in period*

	<b>Group</b>	
	<b>31 December 2013 £000</b>	31 December 2012 £000
(Loss) on ordinary activities before tax	<b>(209)</b>	(1,676)
(Loss) on ordinary activities multiplied by a standard rate of tax in the UK of 23.25% (2012: 24.50%)	<b>(48)</b>	(411)
Expenses not deductible for tax	-	-
Capital allowances in excess of depreciation	<b>40</b>	64
R&D expenditure credits	<b>8</b>	-
Unrelieved tax losses carried forward	-	347
Total current tax	<b>-</b>	-

- (c) Factors that may affect future tax charges.

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly and reduce the deferred tax assets/liabilities at 31 December 2013 which has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

The unrecognised deferred taxation asset is as follows:

	<b>Group</b>	
	<b>31 December 2013 £000</b>	31 December 2012 £000
Tax losses	<b>1,463</b>	1,428
Other timing differences	<b>2</b>	2
Accelerated capital allowances	<b>148</b>	136
	<b>1,613</b>	1,566

**Notes (continued)**

**Tangible fixed assets**

**Group**

	<b>Freehold property £000</b>	<b>Plant and Machinery £000</b>	<b>Total £000</b>
<b>Cost</b>			
At 31 December 2012	2,500	3,979	6,479
Additions	-	391	391
Disposal	-	(2)	(2)
	<hr/>	<hr/>	<hr/>
At 31 December 2013	2,500	4,368	6,868
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Depreciation</b>			
At 31 December 2012	818	2,376	3,194
Provided during the year	24	237	261
Depreciation released on disposal	-	(1)	(1)
	<hr/>	<hr/>	<hr/>
At 31 December 2013	842	2,612	3,454
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Net book value</b>			
<b>At 31 December 2013</b>	<b>1,658</b>	<b>1,756</b>	<b>3,414</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2012	1,682	1,603	3,285
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The company has no tangible fixed assets.

**Fixed asset investments**

	£000
<b>Cost and net book value</b>	
At 31 December 2012	7,210
Additions	2,785
	<hr/>
<b>At 31 December 2013</b>	<b>9,995</b>
	<hr/> <hr/>

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:

<b>Subsidiary undertakings</b>	<b>Proportion Held</b>	<b>Nature of business</b>
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.

**Notes (continued)**

**Stocks**

	<b>Group</b>	
	<b>31 December 2013 £000</b>	<b>31 December 2012 £000</b>
Raw materials and consumables	303	270
Work in progress - intermediates	786	403
	<u>1,089</u>	<u>673</u>

The company holds no stock.

**Debtors**

	<b>Group</b>	
	<b>31 December 2013 £000</b>	<b>31 December 2012 £000</b>
Trade debtors	2,025	862
Amounts owed by group undertakings	44	205
Other debtors	80	91
Prepayments and accrued income	97	76
	<u>2,246</u>	<u>1,234</u>

The company has no debtors

**Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>31 December 2013 £000</b>	<b>31 December 2012 £000</b>	<b>31 December 2013 £000</b>	<b>31 December 2012 £000</b>
Trade creditors	882	893	-	-
Amounts payable to group undertakings	1,124	1,361	1,582	1,582
Loan payable to group undertaking (see note 13)	-	1,145	-	-
Other taxes and social security costs	72	77	-	-
Other creditors	245	63	-	-
Accruals and deferred income	107	87	-	-
	<u>2,430</u>	<u>3,626</u>	<u>1,582</u>	<u>1,582</u>

**Notes** (continued)

**Creditors: amounts falling due after more than one year**

	Group	
	31 December 2013 £000	31 December 2012 £000
Loans	-	-

During 2012 AMRI Hungary Zrt ceased trading and the loan balance became payable within one year. In 2013 the capital and accrued interest were paid in full and final settlement of the loan agreement.

The company has no creditors falling due after more than one year.

**Called up share capital**

	31 December 2013 No.	31 December 2012 No.	31 December 2013 £000	31 December 2012 £000
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £0.10 each	108,872,170	81,022,170	10,887	8,102

During 2013 share allotments were made for 27,850,000 shares issued to Albany Molecular Research Incorporated for the value of £2,785,000. The raised funds were used to inject additional working capital in to Albany Molecular Research (UK) Limited.

**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 2011	4,767	349	6,271	(11,116)	271
Issue of shares	3,335	-	-	-	3,335
(Loss) for the year	-	-	-	(1,676)	(1,676)
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

**Notes (continued)**

**15 Reconciliation of shareholders' funds and movements on reserves (continued)**

**Company**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total shareholders' funds £000
At 31 December 2011	4,767	349	(2,823)	2,293
Issue of shares	3,335	-	-	3,335
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2012	8,102	349	(2,823)	5,628
Issue of shares	2,785	-	-	2,785
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 2013</b>	<b>10,887</b>	<b>349</b>	<b>(2,823)</b>	<b>8,413</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**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 £19,000 at 31 December 2013 (2012: £18,000).

**Other financial commitments**

a) At 31 December 2013 the company had annual commitments under non-cancellable operating leases as set out below:

	31 December 2013 £000	Other 31 December 2012 £000
Operating leases which expire:		
Within 2-5 years	29	5
	<hr/>	<hr/>

(b) The group has £149,000 authorised capital commitments at 31 December 2013 (2012: £28,000).

**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.

**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 United States of America. Copies of the financial statements for Albany Molecular Research Incorporated are available from its registered office: 26 Corporate Circle, Albany, NY.