uniphar group

Working together to deliver value

ANNUAL REPORT 2014

Contents

Company Information

Board of Directors

M. Pratt	(Chairman)
G. Rabbette	(Chief Executive Officer)
T. Dolphin	(Chief Financial Officer)
J. Holly	(Senior Independent Director)
M. McConn	
M. Murphy	
M. Quinn	
C. Shannon	
P. Staunton	

Secretary and Registered Office

R. Hanratty
Uniphar plc
4045 Kingswood Road
Citywest Business Park
Co. Dublin

Registered Number: 224324

Auditors

PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
One Spencer Dock
North Wall Quay
Dublin 1

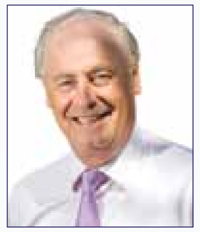
Solicitors

William Fry
2 Grand Canal Square
Dublin 2

Bankers

Bank of Ireland
2 Burlington Plaza
Burlington Road
Dublin 4

Directors' Details



M. Pratt

CHAIRMAN

Appointed Chairman in 2009. Maurice was formerly CEO of Tesco Ireland Limited and C&C plc. Maurice is also Chairman of Barretstown and European Movement Ireland. He is a trustee and former president of IBEC. He is also a non-executive director of Boyne Valley Group and Brown Thomas Limited.

G. Rabbette

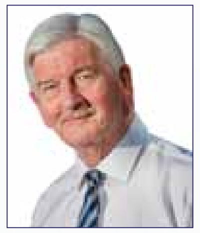
CHIEF EXECUTIVE OFFICER

Appointed C.E.O. in March 2010. Former Managing Director of Movianto and Head of Celesio Manufacturing Solutions. Prior to this, Ger held various senior positions in the Pharmaceutical Supply Chain within the Celesio Group and trained as a Chartered Accountant with EY.

T. Dolphin

CHIEF FINANCIAL OFFICER

Appointed C.F.O. in July 2010 with responsibility for finance and shared services. Former member of the management team in Topaz Energy Limited. Prior to this, Tim worked in various senior positions with Shell and trained as a Chartered Accountant with EY.



J. Holly

SENIOR INDEPENDENT DIRECTOR

Appointed to the Board in 2009 and is a former chairman of Uniphar plc. John is a retired community pharmacist based in Wicklow.

M. McConn

Appointed to the Board in 2009. Marie is a community pharmacist based in Limerick and a former President of the Irish Pharmacy Union.

M. Murphy

Appointed to the Board in 2009. Matt is a community pharmacist based in Macroom, Cork.

C. Shannon

Appointed to the Board in 2009. Criofan is a community pharmacist based in Rathfarnham, Dublin.

M. Quinn

Appointed to the Board in 2002 and the former C.E.O. of ICC Bank. Michael holds a number of non-executive directorships and is an experienced financial professional.

P. Staunton

Appointed to the Board in 2009. Padraic is a community pharmacist based in Meath and has held a number of senior positions on pharmacy industry committees.

Operational Highlights

Completion of the integration of Cahill May Roberts

The integration of the Cahill May Roberts business into Uniphar was completed during the course of the year, creating a company with 2014 revenues in excess of €1billion.

Strengthened management team

With a strengthened management team, Uniphar has come out of a period of transformational change and is now firmly focused on delivering growth opportunities into the future. Developing key talent is an important focus for the company.

Strategic acquisitions accelerate development of broader health services offering

The completion of a number of small but strategically significant acquisitions post close leave the Manufacturer Services business well positioned for growth in the areas of healthcare contract sales and nursing services.

Optimising state of the art technologies

The investment in SAP and other best in class technologies has allowed Uniphar to continue to reduce costs and streamline operations. In 2014, we developed a comprehensive web platform providing a range of online services for our retail pharmacy customers, sharing with them the benefit of the savings in time and costs brought by technology. Our IT and Operations teams are constantly innovating to find new ways to meet operational challenges. In 2015, we will implement a sophisticated dashboard that will enable our Business Development team and our customers to review their account in full with real time information. This dashboard will also display the key performance indicators that will clearly show the service Uniphar is delivering to its customers.

Strong performance in core business

Against a challenging economic backdrop, Uniphar has delivered a strong financial performance with a rapid reduction in total debt and impressive revenue and EBITDA growth. With a continuing focus on efficiency, the enlarged Group is positioned to generate strong returns for shareholders.

KEY STATISTICS

15 THOUSAND medicines stocked with a service level of 99.6%

3 hours is the average order lead time for twice daily delivery service

95% of business processed electronically

800 THOUSAND medicines delivered daily

5,500 ORDERS PER DAY

30 THOUSAND medical devices stocked

Financial Highlights

Strong revenue and EBITDA growth in 2014 after 12 months of the enlarged business, following the acquisition of Cahill May Roberts Limited in May 2013. Increased market share and development of new income streams, along with cost savings achieved, have also contributed to the good result for the year.

▲ Revenue up 32%

2014 €1,134m

2013 €860m

▲ EBITDA up 50%

2014 €24.2m

2013 €16.1m

As part of the continuing drive to reduce debt, a €26.5m sale and leaseback property deal was concluded in 2014 significantly reducing our net debt by 31% and bringing our net debt to EBITDA ratio to 2.9.

▼ Debt down 31%

2014 €69.9m

2013 €100.7m

▼ Debt/EBITDA down to 2.9

2014 2.9 times

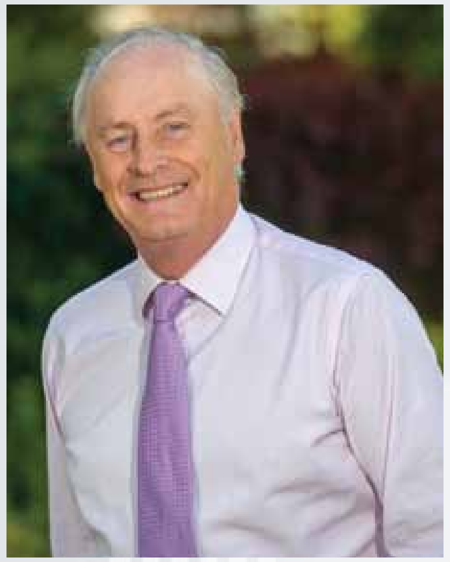
2013 6.3 times

Summary of Results

Year ended December	2014	2013	2012	2011	2010
	€'000	€'000	€'000	€'000	€'000
Turnover	1,133,942	860,495	639,639	613,990	650,332
EBITDA [1]	24,181	16,112	15,361	16,584	10,580
Profit/(loss) before tax	(24,383)	(19,676)	(4,662)	3,415	(12,752)
Profit/(loss) before tax excluding exceptional items	7,080	(1,510)	2,905	3,327	(3,328)
Net debt	69,867	100,704	97,065	87,776	75,468
Adjusted EPS (cent) excluding exceptional items	6.5	0.6	11.4	3.8	(13.3)

1 Earnings before interest, tax, depreciation, amortisation and exceptional items.

Chairman's Statement



It has been another eventful year for the pharmacy sector, under pressure worldwide, as governments everywhere attempt to counter the impact of medical inflation on their health spend. To survive, the sector has been consolidating at a very rapid rate. Major acquisitions of Boots and Celesio by Walgreens and McKesson respectively have created two behemoths of truly global reach with revenues approaching €220 billion and control of more than 20,000 pharmacies worldwide. It is unlikely that the consolidation will stop any time soon, with the almost inevitable result of falling pharmacy numbers and an environment where it is ever more difficult for an ordinary Independent Community Pharmacy to thrive.

Locally, towards the end of 2014, we saw the impact of reference pricing really begin to bite and we witnessed the pressure on health services, and health service providers like community pharmacists, grow. Our focus as a company this year has been on developing the building blocks that will allow Uniphar to support our core customers in Independent Community Pharmacy, while at the same time ensuring a return to value for our shareholders.

Despite the difficult environment, your Company has made significant progress in the last 12 months. The Group's turnover has increased by 32% to €1.1 billion, with EBITDA rising from €16.1m to €24.2m in the period. The burden of debt which has weighed heavily on the Company for a number of years has been greatly reduced from net debt of over €100.7m to just €69.9m in the same time frame. This was achieved by the continued drive to reduce costs and gain efficiencies across the business, the impact of the new equity, as well as the completion of a successful sale and leaseback of the Citywest building. This last transaction has reduced Uniphar's net debt to EBITDA ratio to less than 3 on a full year basis, bringing our gearing levels into line with blue chip standards.

The significant investments the Group has made in the SAP business management platform has provided full visibility on the profitability of each business activity, enabling the management team to find further opportunities to cut our cost base.

As well as the positive impact on the net debt to EBITDA ratio and the overall financial stability of the Company, the sale and leaseback also resulted in the crystallisation of a loss on the historical investment in the building and the impact can be seen in the large reduction in net assets. This year has also seen the completion of the final steps in the integration of Uniphar and Cahill May Roberts. The cost of €8.4m associated with this final phase can be seen in exceptional items. The combination of those two factors has resulted in a loss before tax of €24.4m. However, when the impact of the exceptional items on the results is removed, we can see that the underlying business is performing well, in the circumstances, with a profit before tax figure reaching €7.1m, an improvement of almost €8.6m on last year's figure. The notable improvement in the net debt position also permitted the renegotiation of the Group's total banking facilities. Towards the end of 2014, a new 5 year facility was negotiated, on improved terms, with lower financing costs, providing the Group with the financial resources to exploit growth opportunities.

2014 has seen a continued workout of the IPOS related investments. When the IPOS situation was initially addressed, Allcare Management Services was created to provide the management and back office services for the pharmacies, which remained in three bank-owned special purpose vehicles (SPVs). At the time, the Board and management determined to maintain an interest in Allcare Management Services with an option to purchase the equity, should the company prove successful.

I can confirm that the management team is in the process of exercising the Company's option to purchase the remaining equity in Allcare Management Services Limited, the transaction will be completed following Competition and Consumer Protection Commission approval. The purchase of the bank debt in Riverchem, the Ulster Bank aligned SPV, was completed, in the first quarter of 2015, at a good price and the pharmacies involved will, over time, be sold back to the independent pharmacy sector at a fair market value, thus rebuilding shareholder value.

At the end of 2013, there were a number of changes to the Senior Management team, which was strengthened by the addition of Gwynne Morley and Padraic Dempsey. During 2014, the business was reorganised into two divisions, Uniphar Retail Services led by Gwynne Morley, serving the needs of our retail pharmacy customers and Uniphar Manufacturer Services (including Allphar), led by Padraic Dempsey, which is focused on the needs of principals, manufacturers and hospitals. During 2014, we bade farewell to Brendan O'Connell, former Managing Director of Allphar and Board member of Uniphar Group plc, who retired after more than three decades with the Group. I would like to take this opportunity to thank Brendan for his many years of service and wish him well for the future.

In view of the requirement to maintain a tight hold on our net debt and the low current net assets position, the Board proposes to continue to defer dividend payments for this year. The Board is committed to resuming the payment of dividends to the Group's shareholders at the earliest opportunity possible.

The Board of the Uniphar Group is committed to the upholding of the highest standards of corporate governance. In past years, we resolved a number of legacy issues and in 2014 we were focused on moving towards compliance with the new Combined Code. I am happy to report that we would expect to be fully compliant with the Code by year end 2015.

I would like to thank management and staff for the significant contributions made by them in 2014 in tough circumstances. I have no doubt that we have the team, under Ger Rabbette's leadership, to meet the challenges and take advantage of the opportunities that the future holds for the Uniphar Group. Most importantly, however, I would like to thank you, our shareholders, customers and partners for your continued support.

When I became Chairman of the Board in 2009, your Company was in a very different position. Since the new management team took over in 2010, the Company has doubled in size, increased its EBITDA twofold, reduced debt significantly, halving the debt to equity ratio. Operating costs have been reduced by 40% and a new SAP platform has allowed for significant efficiency gains and better oversight of the operations of the business. It is a completely changed Company, with a clear strategy for the future, a strong management team and the scale to ensure that, in an environment where change is continual and consolidation is almost inevitable, we can continue to partner with and support Independent Community Pharmacy.

Maurice Pratt
CHAIRMAN

Chief Executive's Statement

2014 Performance

This was the first full year of the new enlarged Uniphar, and, despite another year of government cuts and consolidation in the sector, the business traded well in 2014. We continued to generate strong cash flows from the business, with a 32% increase in turnover and a significant rise in EBITDA from €16.1m to €24.2m. This was due to an increase in market share to 50% of the pharmaceutical distribution market in Ireland, the development of new income streams and, most significantly, to further reductions in operating costs, with significant decreases achieved in both overheads and working capital requirements.

The year started with the completion of the sale and leaseback of the Citywest building for €26.5m, with an option to buy back after 10 years. While the immediate impact in accounting terms was to create an impairment of €17.1m, it was a very positive result for the business, greatly reducing the net debt burden, bringing our net debt to EBITDA ratio to blue chip levels of less than 3 and allowing us to refinance our banking facility on much more favourable terms, committed for 5 years.

The exceptional costs associated with the final completion of the integration of Cahill May Roberts into the Uniphar Group also had their impact, as had the IPOS impairment of €5.0m with the bottom line showing a loss figure of just under €24m. These are exceptional costs and we would expect to see a return to profit in 2015.

Reorganising in line with strategy

The business was reorganised in 2014 into two divisions, Uniphar Retail Services and Uniphar Manufacturer Services, to reflect the new larger footprint. This reorganisation is part of our strategy to use our scale and strength as a full line wholesaler to create a platform for growth, based around a full service model.

The focus is on developing new income streams and services which will allow Uniphar to capitalise on the strong relationships it has right across the value chain, for the benefit of its customers and shareholders.

A number of key strategic investments, developed in 2014 but reaching completion in the first quarter of 2015 have started the process of supplementing the skills and reach of the Uniphar Group to ensure that we are in the best possible position to provide the highest levels of service to our principals, manufacturers and, most importantly, our independent pharmacy customers.

These include the purchase of the bank debt of the Ulster Bank aligned SPV, the acquisition of Star Medical, a healthcare resourcing solutions provider in the UK and increasing our stake in Point of Care, the specialist nursing services provider.

Uniphar Retail Services – a challenging year

The year has been challenging for Uniphar Retail Services. Throughout 2014, the Irish pharmacy market remained extremely tough with the total market declining in value terms by 5% over the last 12 months. The full impact of reference pricing has yet to be felt, but the market is forecast to decline by a further 4% in 2015, before returning to low single digit growth in late 2016.

For a number of years, the wholesale sector has been overly-dependent on high tech and fridge margins. Last year, Uniphar introduced the fridge discount to protect pharmacists from negative dispensing, but with the sooner than expected loss of high tech margins in 2014, wholesale margins overall have fallen to unsustainable levels, which do not allow for investment in the development of the business or the sector. Against this backdrop, the team has had to make some adjustments to the pricing model but has put measures in place, such as the new super-discounted consumer offering through Link Up, which more than offsets the impact of the pricing model change.

The focus for Retail Services is primarily on broadening its offering and developing new ways to support our customers, with technology as the key enabler. As well as the successful development of the Life symbol group, we have broadened the product ranges available through Link/Link Up, added the market beating Front of Shop consumer offering and new services such as Partner Services and OstomySource, all available to order online. The provision of web-enabled account management services, developed in 2014 but launched in early 2015, provides customers with the time-saving option of managing most of their transactions with Uniphar online, including reprinting of statements and management of returns. We see this as an important early step in supporting our customers to move towards a more streamlined and efficient, even paperless, pharmacy in the not too distant future.

Continued progress has been made on resolving IPOS legacy issues. In exercising the option on Allcare Management Services, Uniphar brings on board a specific set of skills in providing the back office services required by pharmacy, in terms of MIS, HR support, category management and marketing in an efficient and seamless way.

The rapid development of the re-shaped Life symbol group, with more than six times as many members at the end of 2014 as at the beginning was the stand-out success. There are a number of factors including the attractive balance of support and control offered to members and the recognition amongst a growing number of independent pharmacists that for their business and competitive situation, the time had come to take advantage of the support and recognition offered by a symbol group. We expect to see similar growth in numbers in 2015 and are on target for 200 members by 2019. The addition of the Allcare brand to the Uniphar support package allows Uniphar to offer a very different type of brand and symbol group option to independent pharmacists, again bringing choice to community pharmacy.

The Retail Services business is at the heart of what we do. While conditions at the moment remain difficult, we believe that we have made the right strategic decisions to put Uniphar in as strong a position as possible to partner with our independent pharmacy customers in a meaningful and useful way, improving both parties' chances of withstanding the challenges to come.

Uniphar Manufacturer Services – positioned for growth

Uniphar Manufacturer Services has had a strong year, experiencing a period of significant advancement, following the full integration of Movianto into the business. We are now in a position to offer a world class supply chain solution to our pre-wholesale customers and, as a result, the division has had considerable success in attracting new, large scale clients. Uniphar now holds a market leading position in hospital pharmacy and is meeting growth targets across the other areas of the Manufacturer Services business.

The Uniphar Manufacturer Business is the platform for our strategy of expansion into higher growth and higher margins areas. Leveraging off strong existing relationships and capabilities within the business, the Manufacturer Services sector offers Uniphar robust margins and impressive growth potential in both the Irish and UK markets.

Implementation of the plan to broaden the range of services provided and the geographical area of operation has begun with the increase in our stake in Point of Care and the acquisition, after year end, of Star Medical, a leading UK provider of commercial and clinical resourcing solutions for the pharmaceutical and healthcare sector. This acquisition provides Uniphar Manufacturer Services with a partner with proven Contract Sales Organisation expertise and access to the best sales, marketing and medical people to help Uniphar to deliver a fully integrated supply chain and strong route to market for our manufacturer clients.

As a key link in the chain between manufacturer and pharmacy, Uniphar is committed to continuing to build strong and positive partnerships with manufacturers and, on their behalf, with independent pharmacy. There is considerable growth potential in this area of the business and we are confident that we now have a strong, broad base of services from which to take advantage of the strong trend by manufacturers towards outsourcing.

Outlook and Focus for 2015

Despite the ongoing challenges of operating in an industry going through a period of consolidation and fundamental change, we are positive about Uniphar's prospects for the coming year and expect to return to profit in 2015. The Manufacturer Services division is in a strong position for growth and offers the significant potential, both in margin and in revenue terms that will feed future investment and shield the wider business. In Retail Services, we are determined to leverage Uniphar's operational scale to deliver more value to ensure our community pharmacy customers are competitive in a hostile market place. We are investing to provide independent pharmacy with the sort of buying opportunities and service supports that will allow them to compete toe to toe with the large chains. Working together to deliver value, we are committed to bringing better buying, better selling and reduced costs to independent community pharmacy. Together, we are indeed stronger.

Gerard Rabbette
GROUP CHIEF EXECUTIVE OFFICER

Uniphar Group Mission

Uniphar
a key part of the healthcare infrastructure

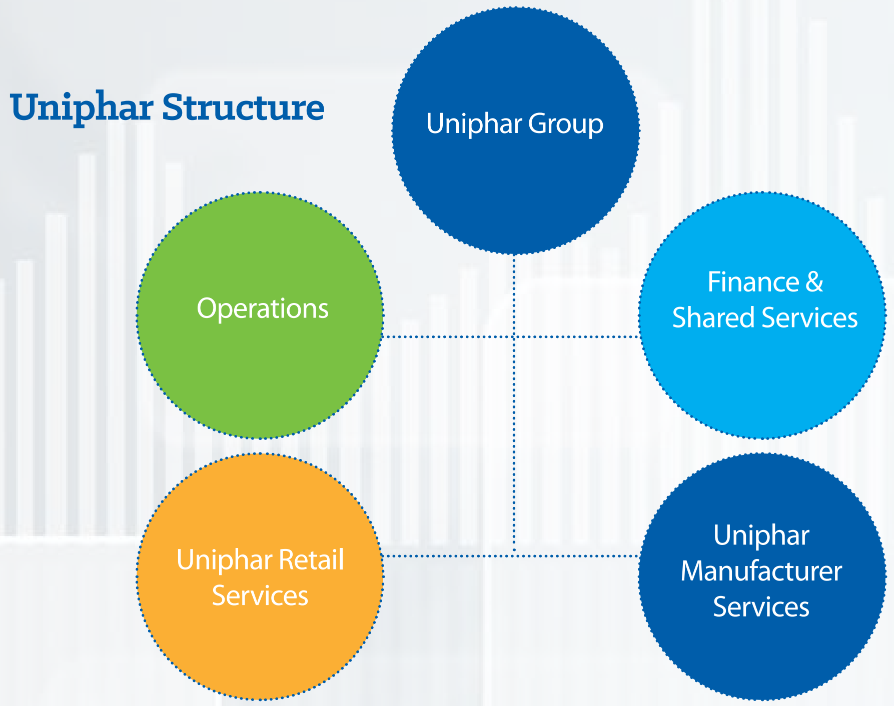
Working behind the scenes at each step in the value chain to help manufacturers and pharmacists to get medicines and services to patients safely, quickly and cost effectively.

Uniphar Vision & Strategy

Working together to deliver value

Uniphar is a leading wholesaler and provider of services in the pharmaceutical and healthcare sector in the Republic of Ireland. Owned by community pharmacists, Uniphar Group has a diverse customer base and an annual turnover in excess of €1billion. Uniphar is the only full line wholesaler whose core focus is on the Irish market and whose core customer base is Independent Community Pharmacy.

Uniphar's vision is through innovation, collaboration and hard work, to be the most valued partner for our customers, service users and principals, by providing consistently high quality of service, inventive solutions to real business problems and strong returns for Uniphar and for our partners, shareholders and customers.

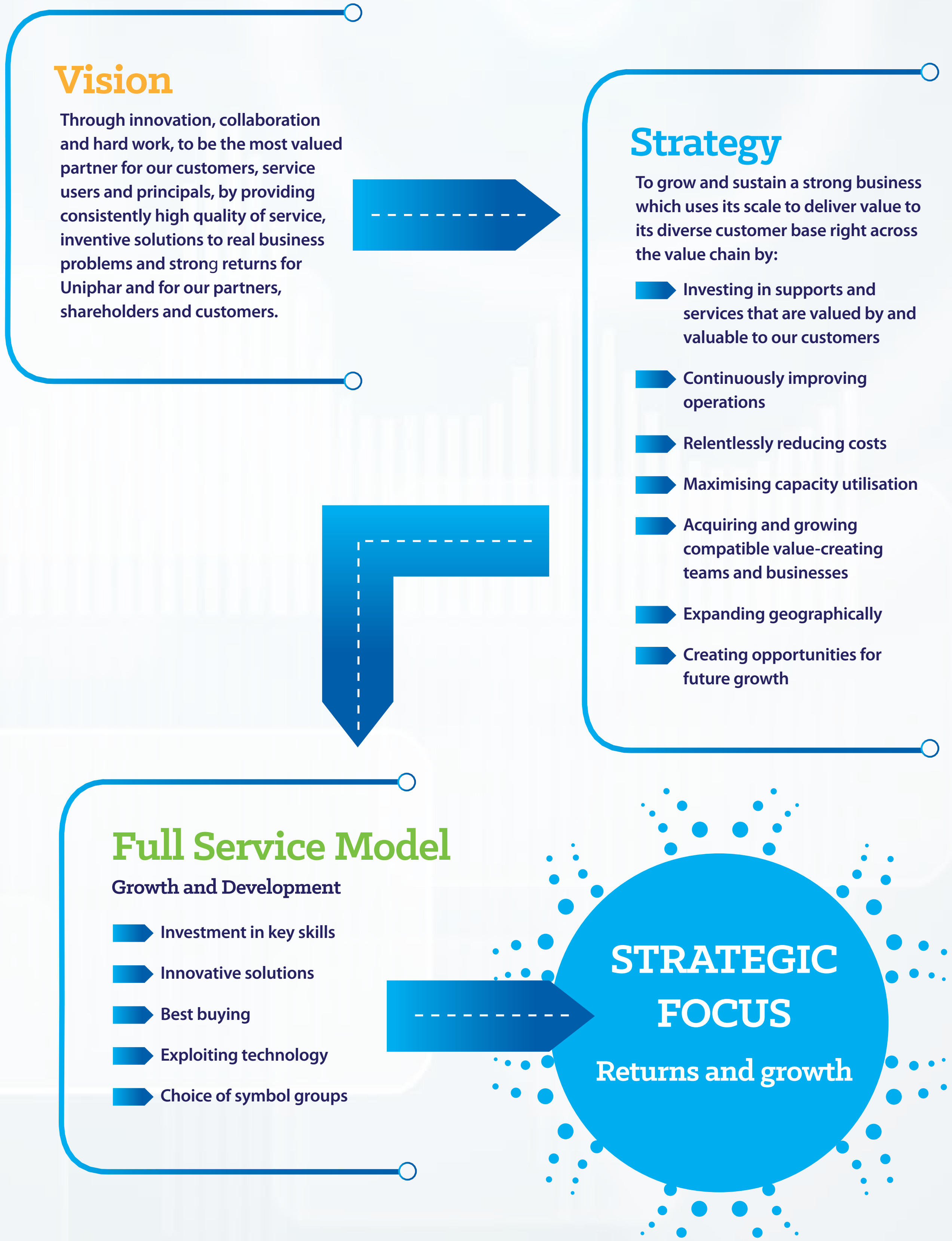


The Uniphar strategy is based on using our scale and our strong market position as a full line wholesaler as a platform for growth, seeking expansion into higher potential and higher margin areas. We believe that by working together with community pharmacy we can deliver real value to pharmacy in a way that is consistent and sustainable over time, even as the dynamics of the industry evolve in the current environment of consolidation and change. 2014 has seen the groundwork completed for a number of the strategic initiatives which will allow us to support Independent Community Pharmacy with the three pillars of retailing in the new more aggressive environment – Better Buying, Better Selling and Reduced Costs. The development of the Life symbol group is another important element in bringing choice to independent pharmacy, providing the option to take advantage of the many benefits of being part of a group while maintaining independence.

Focused on bringing to independent pharmacy Better Buying, Better Selling and Reduced Costs

As both wholesaler and supply chain solutions provider Uniphar has good working relationships from one end of the pharma-health value chain to the other. The Uniphar strategy relies on deepening and broadening these relationships for the benefit of our customers and shareholders.

Clear Strategic Direction



Uniphar Retail Services

Working together to deliver value

Uniphar Retail Services has a growing share of the wholesale pharmacy market in Ireland, providing twice a day service to retail pharmacy customers right across the country. The wholesale market has been under pressure for some time and, like our core customer base in Independent Community Pharmacy, issues such as loss of procurement margin, the move among manufacturers, especially of high tech medicines, to a direct to patient model and Government interventions on pricing all impact our business.

In the last 12 months, Uniphar Retail Services, has been working to build a strong platform for the future, both for the division and for our customers.

Looking to the future, we have established that we need to be able to invest to help our pharmacy customers to do three things: Buy Better, Sell Better and Reduce Costs.

Technology is the key enabler

At the heart of our business strategy is optimising the use of technology. As well as making use of SAP and other technologies that improve our own efficiency, we have recently introduced a range of services which allow our customers to do almost all their business with Uniphar online. This means a reduced administrative and paperwork burden for the pharmacy, greatly reducing the amount of time and effort involved in managing their supply chain. Further improvements and additional services are in the pipeline.

Web-enabled Customer Support Platform

- Online catalogue
- Online ordering
- Online invoices and statements
- Web-led returns
- PharmaSource
- OstomySource
- Retail Partner Services

"We believe that our customers have to do well for us to do well. We're focused on investing in a range of services and supports that help our customers to buy at a better price, sell more and different products, offer the health services that foster customer loyalty and do it all, through use of technology, at a lesser cost."

Gwynne Morley
Managing Director
Uniphar Retail Services

300 Employees

1300 Customers

65000 Number of deliveries to retail pharmacies per month

life **50** members of the Life Symbol Group

3 fold increase in the number of people using the website daily

Link Up to Better Buying and Better Selling

Link Up is the new service name for the Link buying group. Link Up moves the offer from a basic, transactional Rx and OTC service to a wide range of services in Rx and Gx medicines, Fridge, Unlicensed Medicines, Ostomy, OTC, Front of Shop, Photo and Veterinary. It provides an online portal designed to support pharmacy business by negotiating commercial deals with manufacturers on pharmacy critical categories. There are between 2,500 and 3,000 product deals available for Link Up members across more than 200 manufacturers and this will grow. The vision for Link Up is to provide additional value and service support to the customer, with work currently going on with selected manufacturers on Marketing/Point of Sale campaigns, improving management of retail space, using consulting rooms, and providing training to pharmacy staff.

Over time, we intend to move Link Up from a business to business brand and develop it into a business to consumer rewards scheme, which will allow our Independent Community Pharmacy customers to broaden their marketing tool set to include a national consumer reward/loyalty scheme.

Growing Value of Symbol Groups

Depending on where a pharmacy is situated, the stage the business is at and the competitive landscape locally, joining a symbol group is becoming increasingly attractive to many Independent Community Pharmacists. Uniphar is striving to be in a position to offer a choice of brands to Independent Community Pharmacists who believe that the time is right for them to consider moving under a national brand without losing their local identity or autonomy. The re-launched Life has grown quickly in the last year and, all going well, we will soon be able to offer a very different proposition in the form of the Allcare pharmacy brand and service.

Life Symbol Group – one new member every week

The Life brand was re-launched as a symbol group in April 2014. The Independent Life Pharmacy plc Board, with 5 pharmacy owners and 4 Uniphar representatives, has been appointed.

Life is now the fastest growing pharmacy symbol group in the country, with a new pharmacy joining every week.

It is a unique model which is pharmacist-led and Uniphar supported. There are now 50 pharmacy members and the brand is represented right across the country.

The Life Symbol Group is:

- Building a pharmacy brand through mutual co-operation between wholesaler and pharmacist – leveraging the skills and strengths of both
- Delivering a recognisable, sustainable Irish pharmacy group that is clearly identified as a centre of care excellence and innovation
- Where all stakeholders benefit – Pharmacist, Wholesaler and Patient.

"The Life group has a growing national marketing fund, focused on increasing patient and consumer footfall to members' pharmacies. Members also benefit from significant IT and business intelligence support that allows them improve their business margins and profitability. There are ambitious growth targets for Life and we expect to have 200 member pharmacies nationwide over the next two years. Uniphar's supply chain is an integral part of the solution for our members and the long term sustainability of the offering is a key consideration for potential members. Working with our customers in a true partnership approach is rewarding for both parties and very much in line with the ethos of Uniphar"

Paul G. Ryan
Director of Life Symbol Group.

Uniphar Manufacturer Services

Performance through Innovation

Throughout the past two years, Uniphar Manufacturer Services has built a total outsourced solution for healthcare manufacturers in Ireland and the UK.

We have achieved this through the strategic acquisition of Point of Care, provider of nursing services, and Star, an outsourcing and resourcing company that delivers sales, marketing, medical and clinical people for the UK's healthcare market. Allphar, our supply chain services business and Pharmasource, provider of managed access programmes for unlicensed medicines, continue to enjoy significant organic growth.

Today, Uniphar Manufacturer Services works with 23 of the top 25 international pharmaceutical companies. Our broader portfolio of quality, flexible outsourced services allows us to listen and respond to existing and new clients' changing needs better than ever before.

"Uniphar Manufacturer Services is an important growth area for our organisation; we believe that we have the right expertise, resources, relationships and access to innovation to achieve market leadership in Ireland and the UK in the next 5 years."

Padraic Dempsey
Managing Director
Uniphar Manufacturer Services

ALLPHAR part of the Uniphar Group

ALLPHAR
Supply Chain Services

"At Allphar we have the expertise, market knowledge and access to innovation to allow us act as the trusted partner of choice across the entire supply chain for the pharmaceutical, biotechnology and healthcare industry in Ireland. We are committed to continually optimising the technology that Uniphar have made available to ensure we maintain our market leading position."

James Quinn
Commercial Director
Allphar Services

Over **100** Clients

1,000 Deliveries Daily

23,000 Pallet Spaces

250,000 Contract Prices

285,000 sq feet Warehouse Capacity

star people for healthcare

STAR
Outsourcing and Resourcing

"Uniphar's input and investment will power the scale, depth and breadth of our portfolio of outsourcing services while retaining what's best about Star – great people and customer experience. Leveraging the strengths of both companies will enable us to achieve our shared vision, to become the UK and Ireland's market leader in healthcare outsourcing."

Tim Webster, Chief Operating Officer
Lucy O'Neill, General Manager
Star

184 Employees

200 Positions filled

120 Clients

2 Master Vendor Contracts

22 Outsourced Clients

Point of Care

POINT OF CARE
Nursing Services

"Point of Care's ambition is to keep patients out of hospital by bringing medical treatments directly to where patients live and work. Integrating Uniphar's capabilities has allowed us to more than double our nurse medical treatments and together we have been selected to manage the largest patient programmes in Ireland."

Jim Joyce
Chief Executive Officer
Point of Care

30 Employees

3,500 Home Infusions

5 Nurses Employed

21 Major Clients

8,000 Nurse Visits

PharmaSource Managed Access Solutions

PHARMASOURCE
Managed Access

"Over the last number of years we have worked hard to establish Pharmasource as Ireland's leading supplier of unlicensed medicines. We have achieved our milestones through effective collaboration with our customers and have benefited significantly from the expertise of our Uniphar colleagues."

Brian Collins
Business Unit Manager
Pharmasource

21 Employees

5 Managed Access Programmes
11 Unique Products

7 Manufacturers
12 Unique Products

1,500 Patients Treated with Unlicensed Medicines

1,300 Pharmacies supplied

Corporate Governance Report

The Directors are committed to seeking to maintain the highest standards of corporate governance and this statement describes how Uniphar plc applies these standards.

Board of Directors

Role

The Board is responsible for the leadership and control of the Company. There is a formal schedule of matters reserved for the Board for consideration and decision. This includes Board appointments, approval of strategic plans for the Group, approval of financial statements, issue of new share capital, borrowings, dividend policy, the annual budget, acquisitions/divestments, significant capital expenditure and review of the Group's system of internal controls. The Board as a whole is responsible for ensuring that there is satisfactory and timely communication with shareholders.

The Board has delegated responsibility for the management of the Group, through the Chief Executive, to the Executive Management team.

The roles of Chairman and Chief Executive are not combined and there is a clear division of responsibilities between them, which is set out in writing and has been approved by the Board. The Chairman's responsibility is to lead the Board and this ensures that the Board is effective and efficient. The Chief Executive is accountable to the Board for all authority delegated to executive management.

The Board has also delegated some of its responsibilities to Committees of the Board. Individual Directors may seek independent professional advice, at the expense of the Company, in the furtherance of their duties as Directors.

The Group has a Directors and Officers insurance policy in place which indemnifies the Directors in respect of any liabilities incurred by them in the management of the Company's business.

The role of Senior Independent Director was created on the Board in 2011. J. Holly was appointed to this role in January 2012. This role provides a sounding board for the Chairman and serves as an intermediary for the other Directors when necessary. The Senior Independent Director is also available to shareholders if they have concerns. The Senior Independent Director meets with other non-executive Directors without the Chairman being present to appraise the Chairman's performance at least annually and on such other occasions as are deemed appropriate.

Membership

It is the practice of Uniphar plc that a majority of the Board comprises of non-executive Directors and that the Chairman be non-executive. At present there are two executive and seven non-executive Directors. Biographical details are set out on page 3. The Board considers it vital that the non-executives have the appropriate skills and experience for decision making and management of the Company.

Directors are appointed for specified terms and subject to the Memorandum and Articles of Association of the Company.

All of the Directors bring independent judgement to bear on issues of strategy, performance, resources, key appointments and standards. The Directors believe that the Board has an appropriate balance of skills in business and the pharmaceutical industry to provide effective leadership and control to the Group. The Board has determined that, throughout the reporting period, each of the non-executive Directors acted independently.

Company Secretary

The appointment and removal of the Company Secretary is a matter for the Board. All Directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that Board procedures are complied with. On 15 April 2014, E. Condon resigned as Company Secretary and was replaced by R. Hanratty.

Terms of Appointment

In accordance with the policy of the Board, non-executive Directors are normally appointed for a period of three years. Notice periods of Executive Directors do not exceed a period of greater than one year.

Induction and Development

When new Directors are appointed, they are provided with extensive briefing materials on the Group and its operations, as well as training where appropriate. This is in addition to visits to Group businesses and briefings with Senior Management, which take place as required. The Board participates in regular briefings from third party advisors to ensure that it is fully aware of regulatory and other changes that may impact on the Company.

Share Ownership and Dealing

Details of the shares held by Directors are set out in note 27 to the financial statements.

Directors' Retirement and Re-election

The Board recognises that M. Quinn, Chairman of the Audit, Risk and Compliance Committee, has given service for over ten years since his first election. The Board has considered this fact in the context of his continuing independence, and are satisfied that he continues to demonstrate independence in the execution of his role, and with his contribution to the overall performance of the Board. Nevertheless, the Board has determined that when a non-executive Director has served on the Board for more than nine years, that Director will be subject to annual re-election. Of the remaining Directors, at least one third retire at each Annual General Meeting and Directors must submit themselves to shareholders for re-election every three years. No Director holding the office of Chairman or Chief Executive Officer shall be subject to retirement by rotation or be taken into account in determining the number of Directors to retire. Re-appointment is not automatic. Directors who are seeking re-election are subject to a performance appraisal which is overseen by the Nomination Committee. Directors appointed to the Board during a year must submit themselves to shareholders for election at the Annual General Meeting following their appointment.

Board Succession Planning

The Board plans for its own succession with the assistance of the Nomination Committee. In so doing, the Board considers the skill, knowledge and experience necessary to enable it to meet the strategic vision for the Group. The Board engages the services of independent consultants to undertake a search for suitable candidates to serve as non-executive Directors.

Meetings

There were 10 formal meetings of the Board during 2014. Details of Directors' attendance at those meetings are set out in the table on page 22. The Chairman sets the agenda for each meeting, in consultation with the Chief Executive and the Company Secretary. Board papers are circulated to Directors in advance of meetings. The non-executive Directors met frequently during 2014 without Executive Directors present and discussed a wide range of issues including those brought to it by the various standing Board Committees.

Board Committees

The Board has three permanent Committees to assist in the execution of its responsibilities. These are the Audit, Risk and Compliance Committee, the Remuneration Committee and the Nomination Committee. Ad hoc committees are formed from time to time to deal with specific matters. Each of the permanent Committees has terms of reference under which authority is delegated to them by the Board. The Chairperson of each Committee reports to the Board on its deliberations and attends the Annual General Meeting and is available to answer questions from shareholders.

Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee consists of three non-executive Directors: J. Holly, M. Murphy and M. Quinn who are considered by the Board to be independent. The Board has determined that M. Quinn is the Committee's financial expert.

It will be seen from the Directors' biographical details appearing on page 3 that the members of the Committee bring to it a wide range of experience and expertise. The Committee met 6 times during the year under review. The Chief Financial Officer, the Internal Auditor and the Group Financial Controller normally attend meetings of the Committee while the Chief Executive attends when necessary. The external auditors attend as required and have direct access to the Committee Chairman at all times. During the year, the Committee met with the external auditors without management being present.

The main role and responsibilities are set out in written terms of reference and include:

- Monitoring the integrity of the Group's financial statements and reviewing significant financial reporting issues and judgements contained therein;
- Reviewing the effectiveness of the Group's internal financial controls;
- Monitoring and reviewing the effectiveness of the Group's internal audit function;
- Making recommendations to the Board on the appointment and removal of the external auditors and approving their remuneration and terms of engagement;
- Monitoring and reviewing the external auditors' independence, objectivity and effectiveness, taking into account professional and regulatory requirements.

Remuneration Committee

The Remuneration Committee consists of three non-executive Directors: M. Pratt, M. Quinn and P. Staunton.

Its principal duties and activities are:

- to determine the Group's policy on executive remuneration;
- to determine the total individual remuneration of the Executive Directors;
- to review the suitability of performance measurement criteria for the Senior Management team;
- to monitor the level and structure of remuneration for Senior Management;
- to review the notice periods for Executive Director employment contracts;
- to determine compensation arrangements for early termination of employment contracts;
- to administer share option schemes and long term incentive plans for Executive Directors and Senior Management.

The Committee receives advice from leading independent firms of compensation and benefits consultants when necessary and the Chief Executive is fully consulted about remuneration proposals.

Nomination Committee

The Nomination Committee consists of three non-executive Directors: M. Pratt, M. McConn and C. Shannon. The Committee meets as requested to assist the Board in ensuring that the composition of the Board and its Committees is appropriate to the needs of the Group by:

- Overseeing succession planning for the Board and Senior Management; and
- Assessing the leadership needs of the Group in terms of the ability of the Group to compete effectively in its industry.

To facilitate the search for suitable candidates to serve as non-executive Directors, the Committee uses the services of independent consultants.

Communication with Shareholders

The Group is committed to communicating on a regular and consistent basis with shareholders. The Directors believe that the Annual Report and financial statements and other regular shareholder communications provide a fair and balanced assessment of the Group's position and prospects for the future. The Annual Report and notice of Annual General Meeting are sent to shareholders at least 21 days before the meeting. At the meeting, after each resolution has been dealt with, details are given of the level of proxy votes and the number of votes for, against and withheld regarding that resolution. In addition to the formal shareholder communications of the Annual Report and Annual General Meeting, the Company also endeavours to communicate to shareholders by letter as appropriate throughout the year.

Corporate Social Responsibility

Uniphar Group is committed to being a responsible corporate citizen. The principles of strong corporate social responsibility are important in all Uniphar operations and activities. Achieving excellence in environmental, health and safety performance is a key focus of line management throughout the business. The Group implements and supports the aims and provisions of the Safety, Health and Welfare at Work Act, 2005, the General Application Regulations, 2007, and any additional applicable legislation/regulations. Uniphar strives to achieve the highest standards of safety in all areas of the business.

In 2014, with the integration of the businesses of Uniphar and Cahill May Roberts Limited largely completed, the business has been working on developing a strong positive organisational culture. As part of an internal communications initiative, a quarterly employee newsletter has been created that focuses on sharing news about what is happening in different parts of the business and how employees are contributing in their own communities through their involvement in charitable fundraising and volunteering. The Uniphar social committee is very active within the Company. The employee-run committee organises recreational and sporting events for employees and their families with many of the events focusing on fundraising or supporting local charities.

Our environmental performance is important to us. In 2014, Uniphar had a 95% recycling recovery rate of the waste produced from its day-to-day operations, up from 80% in previous years. For 2015, Uniphar is engaging with third party vendors with the aim of reducing energy consumption across all facilities. A full audit will be completed on each site, targeting a 10% reduction in the site's carbon footprint. Over the last 12 months, the company has been preparing for the new SEAI energy directive, due to become effective in Quarter 4 2015, and is well-positioned to be in compliance with this directive from the outset.

Internal Control

The Directors have overall responsibility for the Group's system of internal control and for reviewing its effectiveness. This system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss. The Directors confirm that the Group's ongoing process for identifying, evaluating and managing its significant risks is in accordance with best practice. The process has been in place throughout the accounting period and up to the date of approval of the Annual Report and financial statements and is reviewed regularly by the Board.

Group Executive Management has responsibility for major strategic development and financing decisions. Responsibility for operational issues is devolved, subject to limits of authority, to operating company management level. Management at all levels are responsible for internal control over the respective business functions that have been delegated. The Board receives on a regular basis reports on the key risks to the business and the steps being taken to manage such risks. It considers whether the significant risks faced by the Group are being identified, evaluated and appropriately managed, having regard to the balance of risk, cost and opportunity. In addition, the Audit, Risk and Compliance Committee meets with the Internal Auditor on a regular basis and satisfies itself as to the adequacy of the Group's internal control system. The Audit, Risk and Compliance Committee also meets with and receives reports from the external auditors. The Chairman of the Audit, Risk and Compliance Committee reports to the Board on all significant issues considered by the Committee.

The Directors confirm that they have conducted an annual review of the effectiveness of the system of internal control up to and including the date of approval of the financial statements. This review had regard to the material risks that could affect the Group's business (as outlined in the Directors' Report on pages 23 –26), the methods of managing those risks, the controls that are in place to contain them and the procedures to monitor them.

Code of Business Conduct

The Uniphar Code of Business Conduct is applicable to all Group employees.

Attendance at Board and Board Committee Meetings in 2014

	Board		Audit, Risk and Compliance Committee		Nomination Committee		Remuneration Committee	
Director	A	B	A	B	A	B	A	B
M. Pratt	10	10	-	-	1	1	1	1
G. Rabbette	10	10	-	-	-	-	-	-
T. Dolphin	10	9	-	-	-	-	-	-
J. Holly	10	9	6	6	-	-	-	-
M. McConn	10	9	-	-	1	1	-	-
M. Murphy	10	10	6	6	-	-	-	-
M. Quinn	10	10	6	6	-	-	1	1
C. Shannon	10	9	-	-	1	1	-	-
P. Staunton	10	10	-	-	-	-	1	1

Column A indicates the number of meetings held during the period in which the Director was a member of the Board and/or Committee.

Column B indicates the number of meetings attended during the period in which the Director was a member of the Board and/or Committee.

Directors' Report

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

Principle Activities and Review of the Development of the Business

The Uniphar Group (the 'Group') is a leading service provider within the pharmaceutical and healthcare sector in Ireland. The Group is dedicated to working in partnership with pharmacists and manufacturers to improve healthcare in our communities.

By operating a strong service-based culture and working with our partners, we provide an innovative range of manufacturing and retail services, product distribution and the provision of related services for the pharmaceutical and healthcare sector.

- Uniphar Retail Services is a wholesale distributor of pharmaceutical, healthcare and animal health products to pharmacies, hospitals and veterinary surgeons in Ireland. The business supports the customer base through the provision of strong service levels coupled with innovative commercial initiatives. In addition, the business provides services and supports that help community pharmacy to operate in an increasingly difficult environment and manages Symbol groups.
- Uniphar Manufacturer Services provides a range of services to pharmaceutical manufacturers through a number of companies, including Allphar, a supply chain solutions company that represents prestigious international pharmaceutical companies in Ireland, Star Medical, a provider of contract sales and other personnel into the healthcare sector in the UK and, increasingly, in Ireland and Point of Care, a provider of specialist nursing services in the community. PharmaSource, Uniphar's successful managed access/unlicensed medicines business is also part of the division.

Acquisitions and Disposals

A number of small but strategically important acquisitions were finalised post close. These include the acquisition of 100% of the share capital of UK-based Star Medical Limited by the Manufacturer Services division. A market leader in the provision of recruitment and contract sales personnel into the pharmaceutical sector, Star's expertise will also support the development of a contract sales organisation service in Ireland.

Also within the Manufacturer Services division, Uniphar plc increased its existing equity investment in Point of Care Health Services Limited, with the Group's holding going from 22.9% to 81.1% in 2014 and to 90.7% in the first quarter of 2015. Point of Care provides a range of specialist nursing services in the home and in other community settings.

In January and February 2015, Uniphar plc disposed of its interests in two retail pharmacy investments, IPOS Holding 30 Limited and IPOS Holding 114 Limited. All told, the proceeds of the share redemptions and arrears of dividends in respect of the two pharmacies amounted to €400,000. In February 2015, Uniphar plc purchased the bank debt and associated security of Riverchem Limited from Ulster Bank and agreed to exercise an option to buy Allcare Management Services Limited, the company that provides back office services to the Allcare branded pharmacies. It is expected that the deal will complete in Quarter 2 of 2015, subject to Competition Authority approval. Together, these investment disposals and acquisitions represent one of the final chapters for IPOS.

The cost, including deferred consideration, of all of the acquisitions together will reach approximately €12m. Both the disposals and the acquisitions will be accounted for in the 2015 financial statements.

Directors' Responsibilities for the Financial Statements

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

Irish law requires the Directors to prepare financial statements for each financial year giving a true and fair view of the state of affairs of the Company and the Group at the end of the financial year and of the profit or loss of the Group for the financial year. Under that law the Directors have elected to prepare the financial statements in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland).

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group's will continue in business.

The Directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2013. 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 corporate and financial information included on the Group's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going Concern

On 17 November 2014, the Group entered in to a new facility with Bank of Ireland for a term up to May 2019. The Board have considered the new facilities put in place and reviewed the Group's forecasts which incorporate the challenging trading and operating environment, as described in the Chairman's Statement and Chief Executive's Report. As a result of this review, the Directors believe that it is appropriate to adopt the going concern basis in preparing the financial statements.

Books of Account

The Directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Group's and which enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with the Companies Acts 1963 to 2013. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The measures taken by the Directors to secure compliance with the Group's obligation to keep proper books of account and the use of appropriate systems and procedures and employment of competent persons. The books of account are kept at 4045 Kingswood Road, Citywest Business Park, Co. Dublin.

Political Donations

The Electoral Act, 1997, (as amended by the Electoral Political Funding Act 2012) requires companies to disclose all political donations to any individual party over €200 in value made during the financial year. The Directors, on enquiry, have satisfied themselves that no such donations in excess of this amount have been made by the Group or any of its subsidiaries.

Results for the Year

The Group profit and loss account for the year ended 31 December 2014 and the Group Balance Sheet at that date are set out on pages 29 and 31 respectively. The Group earnings before interest, tax, depreciation, amortisation and exceptional items are €24,181,000 (2013: €16,112,000). The Group's loss on ordinary activities before tax of €24,383,000 compares to a loss of €19,676,000 incurred in 2013. After adding a tax credit of €517,000 (2013: credit €1,846,000) and deducting minority interest of €114,000 (2013: €24,000), the loss for the financial year is €23,980,000 (2013: €17,854,000).

Corporate Governance

Statements by the Directors in relation to the Company's application of corporate governance principles and the Group's system of internal controls are set out on pages 18 to 22. Details of the Company's capital structure can be found in notes 19 and 26 to the financial statements.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Group and its subsidiaries can be summarised as follows:

Changes to Government/HSE regulation of the sector

Government pressure to significantly reduce overall healthcare expenditure has led to significant downward pressure on product pricing and trade margins, including the loss of high tech margins in 2014. These actions have materially impacted on business performance, particularly on the wholesale side of the business and this trend is set to continue in the short/medium term. The HSE stated their intention to introduce generic substitution and reference pricing on certain molecules during 2014 and the impact of this was felt during the year and into 2015. The Government continues to focus on reducing the amount spent on medicines in Ireland.

Uniphar is dependent on uninterrupted operation of technology

Uniphar's ability to operate is dependent on the efficient and uninterrupted operation of its Citywest Distribution Centre technology, computer and communication systems, on the key personnel who maintain these systems and on the systems used by third parties in the course of their cooperation with Uniphar. Any disruption to these systems or indeed failure of the back-up systems used by Uniphar, could significantly impair Uniphar's ability to conduct its business efficiently and could have a material adverse effect on Uniphar's business, financial condition and results of operations.

Economic conditions

Although economic conditions have improved generally in the last twelve months, the pharmacy sector has not benefited from the upswing. Consumer spending and, particularly, the overall consumer and hospital spend on medicines impacts significantly on the Group. The continued weak state of the public finances, the high absolute spend in health and the ongoing emphasis placed on health as an area for expenditure reduction poses a significant risk to the business given the Group's exposure to pharmacies and to hospitals.

Capital and liquidity

The Group requires access to capital to operate on a daily basis. Lack of availability of sufficient resources may adversely affect the Group.

Bad debt risk

As part of normal trading, the Group provides credit to customers. From time to time, there is a risk that customers may not be able to pay outstanding balances.

Parallel imports (PI)

The parallel importation of medicinal products continues to have an adverse impact on the pharmaceutical wholesale market. The PI business involves importing products directly into Ireland and distributing them outside the established network set up by the manufacturer or their authorised distributor. Parallel trade is lawful based on the principle of the free movement of goods, provided that it does not pose a threat either to public health or to industrial and commercial property.

Financial Risk Management

The Group uses financial instruments throughout its business. Borrowings, cash and liquid resources are used to finance the Group's operations. Trade debtors and creditors arise directly from operations. Forward foreign exchange contracts are used to manage currency risks arising from the Group's operations. At the year end, the Group had no contracts or options in place to buy foreign currency.

Finance Interest and Currency Risk

The Group's procedure is to finance operating subsidiaries by a combination of retained profits and, to a lesser extent, invoice discounting, finance leases and overdrafts, and to finance investments by borrowings. The majority of the Group's activities are conducted in Euro. The primary foreign exchange exposure arises from transactional currency exposures arising from the sale and purchase of goods in currencies other than the Group's functional currency (i.e. Euro). Forward foreign exchange contracts and the holding of foreign currency cash balances are used to hedge these currency exposures, where material.

Directors, Secretary and their Interests

The names of the persons who are currently and were Directors for the year are set out below. Except where indicated, they served for the entire year.

M. Pratt
G. Rabbette
T. Dolphin
J. Holly
M. McConn
M. Murphy
B. O'Connell (resigned 17 January 2014)
M. Quinn
C. Shannon
P. Staunton

E. Condon resigned as Company Secretary and R. Hanratty was appointed as Company Secretary on 15 April 2014.

In accordance with its corporate governance standards and the Articles of Association, the following Directors retire and, being eligible, offer themselves for re-election:

M. Quinn	More than 10 years on the Board, annual re-election required
M. McConn	Retires by rotation
C. Shannon	Retires by rotation

Details of Directors' and Secretary's interests are set out in note 27 to the financial statements.

Dividends

The Directors do not propose paying a dividend for 2014, opting instead to further reduce net debt.

Future Developments

The Group will continue to work to reduce the level of debt on the Group Balance Sheet. In terms of the core business, on the pre-wholesale side, we will continue to work with manufacturers to cement the robust relationship that already exists and focus on delivering increased returns for both parties. In terms of the Retail Services business, the Group continues to focus on supporting independent community pharmacy by providing the best service and value in the market.

Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office in accordance with Section 160(2) of the Companies Act, 1963, and a resolution authorising the Directors to fix their remuneration will be proposed at the Annual General Meeting.

Annual General Meeting

The Annual General Meeting of the Company will be held on 17 June 2015. Shareholders will receive formal notice of the meeting which will set out the details of matters to be considered at the Annual General Meeting.

On behalf of the Board
M. Pratt

G. Rabbette

Independent Auditor's Report to the Members of Uniphar plc

We have audited the financial statements of Uniphar plc for the year ended 31 December 2014 which comprise the Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement, the Group Reconciliation of Movements in Shareholders' Funds, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 23 and 24, the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish 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 Section 193 of the Companies Act, 1990, 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 prior consent in writing.

Scope of the audit of the financial statements

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. In addition, 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the Group's and of the Parent Company's affairs as at 31 December 2014 and of the Group's loss and cash flows for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2013.

Matters on which we are required to report by the Companies Acts 1963 to 2013

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the Parent Company.
- The Parent Company Balance Sheet is in agreement with the books of account.
- In our opinion the information given in the Directors' Report is consistent with the financial statements.
- The net assets of the Parent Company, as stated in the Parent Company Balance Sheet, are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 December 2014 a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983, would require the convening of an extraordinary general meeting of the Parent Company.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2013, which require us to report to you if, in our opinion, the disclosures of Directors' remuneration and transactions specified by law are not made.

John Dunne
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin

19 May 2015

Group Profit and Loss Account

Year ended 31 December 2014

	Notes	2014 Total €'000	2013 Total €'000
Turnover	2	1,133,942	860,495
Cost of sales		(1,067,263)	(805,333)
Gross profit		66,679	55,162
Distribution costs		(16,637)	(15,562)
Administrative expenses		(25,874)	(23,648)
Other operating expenses:			
- Depreciation charge	12	(6,337)	(6,833)
- Goodwill amortisation	11	(5,806)	(3,242)
Other operating income	3	13	160
Operating profit before operating exceptional items		12,038	6,037
Exceptional charge	4	(13,450)	(17,941)
Operating (loss)	5	(1,412)	(11,904)
(Loss) on disposal of tangible assets	12	(17,133)	-
(Loss) on disposal of subsidiary undertakings	7	(880)	(225)
(Loss) before interest and taxation		(19,425)	(12,129)
Net interest payable	6	(4,958)	(7,547)
(Loss) before taxation		(24,383)	(19,676)
Taxation credit	8	517	1,846
(Loss) before minority interest		(23,866)	(17,830)
Minority interest	34	(114)	(24)
(Loss) for the financial year	21	(23,980)	(17,854)
(Loss) per ordinary share (in cent):	31		
- Basic		(20.8)	(35.7)
- Diluted		(20.8)	(35.7)

On behalf of the Board
M. Pratt

G. Rabbette

Group Statement of Total Recognised Gains and Losses

Year ended 31 December 2014

	Notes	2014 Total €'000	2013 Total €'000
(Loss) for the financial year	21	(23,980)	(17,854)
Unrealised foreign currency translation adjustments	20	-	29
Actuarial (loss)/gain in respect of pension scheme	22	(2,804)	1,620
Deferred tax on actuarial loss/(gain) in respect of pension scheme	22	351	(202)
Total recognised (losses) relating to the year		(26,433)	(16,407)

On behalf of the Board
M. Pratt

G. Rabbette

Group Balance Sheet

As at 31 December 2014

	Notes	2014 Total €'000	2013 Total €'000
Fixed assets			
Intangible assets	11	40,274	34,668
Tangible assets	12	24,329	70,675
Financial assets	13	26,831	26,266
		91,434	131,609
Current assets			
Stocks	14	43,923	50,503
Debtors - amounts falling due within one year	15	136,272	134,312
Debtors - amounts falling due after more than one year	15	1,670	2,224
Cash at bank and in hand		17,559	8,673
		199,424	195,712
Creditors - amounts falling due within one year	17	(264,778)	(250,126)
Net current liabilities		(65,354)	(54,414)
Total assets less current liabilities		26,080	77,195
Creditors - amounts falling due after more than one year	17	(32,376)	(52,865)
Provisions for liabilities	18	(2,237)	(7,474)
Net assets excluding pension liability		(8,533)	16,856
Pension liability	22	(5,897)	(5,141)
Net assets including pension liability		(14,430)	11,715
FINANCED BY			
Capital and reserves			
Called up share capital	19	9,015	8,856
Share premium account	20	20,675	20,675
Foreign currency translation reserve	20	(171)	(171)
Capital redemption reserve	20	60	60
Profit and loss account	21	(44,163)	(17,709)
Shareholders' funds		(14,584)	11,711
Minority interests	34	154	4
		(14,430)	11,715

On behalf of the Board
M. Pratt

G. Rabbette

Company Balance Sheet

As at 31 December 2014

	Notes	2014 Total €'000	2013 Total €'000
Fixed assets			
Tangible assets	12	3,613	19,922
Financial assets	13	115,543	111,743
		119,156	131,665
Current assets			
Debtors - amounts falling due within one year	15	149,201	106,694
Cash at bank and in hand		5,310	548
		154,511	107,242
Creditors - amounts falling due within one year	17	(241,332)	(174,703)
Net current liabilities		(86,821)	(67,461)
Total assets less current liabilities		32,335	64,204
Creditors - amounts falling due after more than one year	17	(19,533)	(39,100)
Net assets		12,802	25,104
FINANCED BY			
Capital and reserves			
Called up share capital	19	9,015	8,856
Share premium account	20	20,675	20,675
Capital redemption reserve	20	60	60
Profit and loss account	21	(16,948)	(4,487)
Shareholders' funds		12,802	25,104

On behalf of the Board
M. Pratt

G. Rabbette

Group Cash Flow Statement

Year ended 31 December 2014

	Notes	2014 Total €'000	2013 Total €'000
Net cash inflow from operating activities	24	20,945	14,273
Returns on investment and servicing of finance			
Interest paid		(5,701)	(6,192)
Dividends paid to minority interests	10	(21)	(100)
		(5,722)	(6,292)
Taxation			
Corporation tax payments		(524)	(340)
		(524)	(340)
Capital expenditure and financial investment			
Payments to acquire tangible assets		(3,426)	(4,595)
Receipts from disposal of tangible assets		26,542	2
Payments to acquire intangible assets		(391)	-
Payments to acquire financial assets	13	-	(651)
Loans advanced to retail holding and management companies	13	(2,000)	(2,000)
Loans advanced to IPOS entities and other loans	13	-	(50)
Receipts from disposals/repayments of financial assets	13	19	523
		20,744	(6,771)
Acquisitions and disposals			
Proceeds from disposal of subsidiary undertakings	7	310	737
Cash transferred on disposal of subsidiary undertakings		-	(599)
Payments to acquire subsidiary undertakings	30	(600)	(31,261)
Net cash acquired on acquisition of subsidiary undertakings	30	-	7,773
Payment of deferred consideration		(3,325)	-
Pharmacy subsidiary capital redemption costs	7	(457)	-
		(4,072)	(23,350)
Cash inflow/(outflow) before financing		31,371	(22,480)
Financing			
Net movement in shares	19	159	25,089
Net movement in borrowings	25	(3,863)	(9,074)
Bank guarantees paid	17	(688)	(918)
		(4,392)	15,097
Increase/(decrease) in cash and overdrafts in the year	25	26,979	(7,383)

On behalf of the Board
M. Pratt

G. Rabbette

Group Reconciliation of Movements in Shareholders' Funds

Year ended 31 December 2014

	Notes	2014 Total €'000	2013 Total €'000
Total recognised (losses) relating to the year		(26,433)	(16,407)
Increase in issued share capital	19	159	6,756
Increase in share premium		-	18,333
Dividends paid to minority interests	10	(21)	(100)
(Decrease)/increase in shareholders' funds		(26,295)	8,582
Opening shareholders' funds		11,711	3,129
Closing shareholders' funds		(14,584)	11,711

On behalf of the Board
M. Pratt

G. Rabbette

Accounting Policies

Basis of preparation

The financial statements have been prepared in Euro (presented in thousands and denoted by the symbol "€'000") in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts 1963 to 2013. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Goodwill – note 11
- Estimate of recovering from the liquidator with respect to the IPOS funds – note 13
- Estimate of the impairment provision required for the carrying value of the loans to the retail holding and management companies – note 13

The financial statements have been prepared on a going concern basis which assumes that the Group will continue in current operational existence for the foreseeable future. The Directors have in conjunction with their bankers agreed a credit facility which will allow the Group to meet its obligations as they fall due.

Historical cost convention

The financial statements are prepared under the historical cost convention.

Intangible assets

Goodwill arising on the acquisition of interests in subsidiary companies, being the excess of cost over the fair value of the Group's share of attributable net assets acquired, is stated at cost less accumulated amortisation. Goodwill is amortised over its estimated useful life of 10 to 20 years, as deemed applicable.

Goodwill ascribed to businesses disposed of is recognised as a disposal, as incurred.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is calculated in order to write off the cost of tangible fixed assets, other than land and assets under construction, over their estimated useful lives by equal annual instalments.

The estimated useful lives of tangible fixed assets by reference to which depreciation has been calculated are as follows:

Freehold buildings	50 years
Leasehold improvements	10 years
Plant and equipment	3 - 10 years
Fixtures and fittings	10 years
Computer equipment	3 - 5 years
Motor vehicles	5 years

Financial assets
Financial assets are carried at cost less provisions for any permanent diminution in value. The calculation of these provisions includes estimates in relation to the recovery of IPOS fund loans and the impairment of loans advanced to the retail holding and management companies (note 13).

Leases
Operating leases and the rentals thereunder are charged to the profit and loss account on a straight line basis over the periods of the leases.

Stocks
Stocks are stated at the lower of moving average cost and net realisable value. Moving average is a costing method used under a perpetual inventory system whereby, after each purchase, average unit cost is recomputed by adding the cost of purchased units to the cost of units in stock and dividing by the new total number of units. Net realisable value comprises selling price net of trade but before settlement discounts, less all costs to be incurred in marketing, selling and distribution.

Debtors
Provision is made for doubtful debts using an exposures based method, which is designed to provide for those debts which it is considered might be irrecoverable.

Corporation tax
Corporation tax is provided for at the standard tax rates applicable in the various tax jurisdictions.

Deferred tax
Deferred tax is provided on all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred at the balance sheet date.

Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different years for taxation purposes.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not discounted.

Retirement benefits
Defined benefit pension scheme assets are measured at fair value. Defined benefit pension scheme liabilities are measured on an actuarial basis using the projected unit credit method. The excess of scheme liabilities over scheme assets is presented on the balance sheet as a liability net of related deferred tax. The defined benefit pension charge to operating profit comprises the current service cost, past service gain/cost and gains on curtailments and settlements. The difference of the expected return on scheme assets and the interest cost on the scheme liabilities is presented in the profit and loss account as other finance income/costs. Actuarial gains and losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the statement of total recognised gains and losses for the year in which they occur.

The defined contribution pension charge to operating profit comprises the contribution payable to the scheme for the year.

Share-based payment transactions
Employees (including Directors) of the Company receive remuneration in the form of share-based payment transactions, whereby employees render service in exchange for shares or rights over shares in the ultimate parent undertaking, Uniphar plc. The fair value of share entitlements granted is recognised as an employee expense in the profit and loss account with a corresponding increase in equity. The expense/credit in the profit and loss account represents the product of the total number of options anticipated to vest and the fair value of those options. The amount is allocated on a straight line basis over the vesting period to the profit and loss account with a corresponding credit to share based payment reserve. The cumulative charge to the profit and loss account is only reversed when entitlements do not vest because non-market performance conditions have not been met or where an employee in receipt of share entitlements relinquishes service before the end of the vesting period.

Certain directors and employees may acquire shares in the Company under long term incentive plans. The Company accounts for the proceeds of these share issues as and when payment of the nominal value of the share is called.

Foreign currencies
Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date. Revenues, costs and non-monetary assets at the exchange rates ruling at the date of the transactions, except that where a transaction is covered by a forward exchange contract, the contracted exchange rate is used.

Profits and losses arising from foreign currency translations and on settlement of amounts receivable and payable in foreign currency are dealt with in the profit and loss account.

Monetary assets are money held and amounts to be received in money; all other assets are non-monetary assets.

Turnover
Turnover represents the value of goods and services at invoiced value, excluding value added tax, and is stated after deducting returns and discounts payable.

Dividends
Dividends on shares are recognised in the financial statements when they have been appropriately approved or authorised by the shareholders and are no longer at the discretion of the Company.

Trademarks
Trademarks are shown at historical cost. Trademarks have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight line method to allocate the cost of trademarks over their estimated useful lives of 5 years.

1 Basis of consolidation

The Group financial statements are prepared for the year ended 31 December 2014. The annual financial statements incorporate the Company and all of its subsidiary undertakings. A subsidiary undertaking is consolidated by reference to whether the Company controls the management of the affairs of the related entity, unless the subsidiary is held temporarily, exclusively with a view to subsequent resale.

The results of all Group undertakings are prepared to the Group's financial year end. The subsidiaries are listed in note 33. The attributable results of acquisitions are included in the financial statements from the date of acquisition. The results of the subsidiary undertakings disposed of are included in the consolidated profit and loss account and cash flow statement up to the date control passes. Intergroup transactions are eliminated on consolidation in the preparation of the Group financial statements.

2 Turnover

	2014 €'000	2013 €'000
	1,133,942	860,495

In the opinion of the Directors, the disclosure of turnover, profits and net assets analysed by business and geographical segment as required by SSAP 25 "Segmental Reporting" would be prejudicial to the interests of the Group and therefore this information has not been disclosed.

3 Other operating income

	2014 €'000	2013 €'000
Other income and commission	13	92
Dividends receivable from investments	-	68
	13	160

4 Exceptional charge

	2014 €'000	2013 €'000
Exceptional charge from investment in IPOS network	(5,009)	(2,337)
Other exceptional charges (net)	(8,441)	(15,604)
Exceptional charge	(13,450)	(17,941)

4 Exceptional charge - continued

Exceptional (charge) from investment in IPOS network

The exceptional (charge) arising from the Group's investment in the IPOS network is comprised of:

	2014 €'000	2013 €'000
Provision for impairment of goodwill associated with pharmacy investment (note 11)	(1,899)	(1,168)
Profit on disposal of non-consolidated pharmacy investments (note 13)	-	77
(Increase) in impairment provisions against investment carrying values (note 13)	(264)	(30)
(Increase)/Reduction in provisions against trading balances with pharmacies which are part of the IPOS network	(234)	304
Reduction in the provision against loans advanced to IPOS funds	-	468
(Increase) in impairment provision against loans advanced to retail holding and management companies which were established to facilitate the restructuring of the IPOS network (note 13)	(802)	(1,368)
Other costs associated with IPOS restructuring	(1,810)	(620)
	(5,009)	(2,337)

Other exceptional charges are comprised of:

Other exceptional charges totalling €8,441,000 include costs associated with the restructuring of the business as part of the acquisition of Cahill May Roberts Limited. These costs include integration costs of €4,951,000 (2013: €2,833,000), redundancy costs €615,000 (2013: €9,050,000), professional fees associated with restructuring of €1,112,000 (2013: €1,928,000) and other costs of €1,763,000 (2013: €1,793,000) associated with the ongoing review of the Group's structure.

5 Operating (loss)

	2014 €'000	2013 €'000
Operating (loss) is stated after charging:		
Directors' remuneration		
- Emoluments	1,088	1,627
- Pension contributions	504	38
- Fees	256	184
Auditors' remuneration		
- Audit of Group accounts	200	245
- Tax advisory services	40	40
- Other non-audit services	14	23
Depreciation (note 12)	6,337	6,833
Loss on disposal of tangible assets (note 12)	17,133	38
Goodwill amortisation (note 11)	5,806	3,242
Operating lease rentals		
- Plant and machinery	88	82
- Other assets	176	133
- Buildings	1,180	113

5 Operating (loss) - continued

	2014 €'000	2013 €'000
Staff costs (including directors)		
- Wages and salaries	20,970	19,015
- Social welfare costs	2,336	2,053
- Pension costs (note 22)	539	378
	23,845	21,446

The increase in staff costs is due to the acquisition of Cahill May Roberts Limited with a full year costs included in 2014 compared to costs for a seven month period post acquisition in the 2013 figures.

	2014 Number	2013 Number
Employees		
The average number of persons employed by the Group (including directors) during the year was as follows:		
Administration	144	171
Selling, distribution and warehouse	404	389
	548	560

6 Net interest payable

	2014 €'000	2013 €'000
Interest payable on borrowings repayable within five years	4,844	7,578
Net interest expense/(income) from pension scheme assets/(liabilities) (note 22)	114	(29)
Interest receivable	-	(2)
	4,958	7,547

7 Disposal of subsidiary undertakings

Loss on disposal of subsidiaries

During 2014, the Group made partial disposals of its shareholdings in IPOS Holding 91 Limited, reducing its equity interest from 51.4% to 30.4%, IPOS Holding 97 Limited, reducing its equity interest from 84.8% to 73.4% and IPOS Holding 114 Limited, reducing its equity interest from 33% to 22%. The part disposals were in line with the relevant IPOS shareholding agreements whereby share redemptions were exercised. The disposal in IPOS Holding 97 Limited represented a transfer of shares to the purchasing pharmacist. The loss on disposal resulting from these transactions was €880,000 on total proceeds of €310,000. This amount included goodwill ascribed to these pharmacies of €733,000 (note 11). Net assets on disposal were €nil, and the share redemption costs amounted to €457,000.

In 2013, the Group disposed of 11% of its shareholding in IPOS Holding114 Limited. In addition, the Group fully disposed of its shareholding in IPOS Holding 11 Limited and IPOS Holding 53 Limited. The loss on disposal resulting from these transactions was €225,000 on total proceeds of €737,000.

8 Taxation credit on loss on ordinary activities

	2014 €'000	2013 €'000
Based on the loss for the year:		
Corporation tax - Republic of Ireland	417	542
Under provision for corporation tax in previous years	-	103
Current tax charge for the year	417	645
Deferred tax credit (note 16)	(1,177)	(2,461)
Deferred tax on pension (note 22)	243	(30)
Taxation credit	(517)	(1,846)

The reconciliation between the current tax charge for the year and the current tax credit that would result from applying the standard rate of Irish corporation tax to the loss on ordinary activities is set out below:

	2014 €'000	2013 €'000
Loss on ordinary activities before tax	(24,383)	(19,676)
Loss on ordinary activities multiplied by standard rate of corporation tax in the Republic of Ireland of 12.5%	(3,048)	(2,460)
Effects of:		
(Excess)/deficit of capital allowances over depreciation	(349)	1,158
Disallowable expenses	2,545	2,629
Goodwill amortisation and impairment provision	1,126	551
Income liable to tax at 25%	29	24
Income not taxable	(8)	(71)
Losses carried forward/(utilised)	122	(1,289)
Under provision for corporation tax in previous years	-	103
Current tax charge for the year	417	645

9 Result for the financial year

In accordance with Section 3(2) of the Companies (Amendment) Act, 1986, the Company is availing of the exemption from presenting its individual profit and loss account to the Annual General Meeting and from filing it with the Companies Registration Office. The Company's loss for the financial year, determined in accordance with Irish GAAP, is €12,461,000 (2013: €7,636,000).

10 Dividends

Dividends paid during the year of €21,000 (2013: €100,000) relate to payments by subsidiary undertaking, IPOS Holding 114 Limited, to minority interest shareholders.

11 Intangible assets

	Trademark €'000	Goodwill €'000	Total €'000
Cost			
At 31 December 2013	-	46,299	46,299
Adjustment to provisional fair values (note 30)	-	12,905	12,905
Acquisitions (note 30)	-	747	747
Additions	392	-	392
Disposals (note 7)	-	(921)	(921)
At 31 December 2014	392	59,030	59,422
Amortisation			
At 31 December 2013	-	11,631	11,631
Charge for the year	-	5,806	5,806
Provision for impairment	-	1,899	1,899
Disposals (note 7)	-	(188)	(188)
At 31 December 2014	-	19,148	19,148
Net book amounts			
At 31 December 2014	392	39,882	40,274
At 31 December 2013	-	34,668	34,668

The increase in goodwill during the year relates to the finalisation of provisional fair values of Cahill May Roberts acquired in 2013 (note 30).

Acquisitions of €747,000 relate to goodwill arising on the acquisition of Point of Care Health Services Limited (note 30).

During the year Uniphar Group set up registered trademarks for Life Pharmacy. These trademarks are used by customers of Uniphar to operate under a common symbol of Life Pharmacy. Uniphar in partnership with pharmacy customers, is developing a symbol group and the trademark symbol will be a central part of developing the Life brand.

The disposals reflect goodwill with a net book value of €733,000 associated with the part disposal of the Group's interest in three pharmacies (note 7).

The Group continued to review the carrying value of goodwill associated with retail pharmacy as at 31 December 2014. Based upon the trading performance in 2014, the Group recognised an impairment charge to goodwill of €1,899,000.

Goodwill is being amortised over 10 to 20 years, being the Directors' estimate of the period over which the value of the underlying businesses are expected to exceed the value of these underlying assets.
Goodwill arising on the acquisition of retail pharmacies and Cahill May Roberts Limited is being amortised over 10 years.

12 Tangible assets

	Freehold land and buildings €'000	Leasehold improvements €'000	Plant and equipment €'000	Fixtures and fittings €'000	Computer equipment €'000	Motor vehicles €'000	Total €'000
GROUP							
Cost							
At 31 December 2013	53,179	482	12,384	8,501	21,348	237	96,131
Additions	-	-	236	238	3,099	-	3,573
Acquisitions (note 30)	-	-	-	40	51	-	91
Disposals	(44,558)	-	(4)	(5,305)	(40)	-	(49,907)
At 31 December 2014	8,621	482	12,616	3,474	24,458	237	49,888
Accumulated depreciation							
At 31 December 2013	4,176	125	5,187	3,808	12,070	90	25,456
Reclassification	-	(1)	-	1	-	-	-
Charge for the year	633	27	1,088	616	3,916	57	6,337
Disposals	(4,005)	-	(4)	(2,225)	-	-	(6,234)
At 31 December 2014	804	151	6,271	2,200	15,986	147	25,559
Net book amounts							
At 31 December 2014	7,817	331	6,345	1,274	8,472	90	24,329
At 31 December 2013	49,003	357	7,197	4,693	9,278	147	70,675

The loss on disposal of tangible assets of €17,133,000 relates primarily to the disposal of freehold land and buildings, together with fixtures and fittings noted above. The disposed assets were sold as part of a sale and leaseback of property related assets associated with the Citywest distribution facility. Sale proceeds amounted to €26,500,000 and the net book value of associated assets was €43,633,000.

12 Tangible assets- continued

	Freehold land and buildings €'000
COMPANY	
Cost	
At 31 December 2013	19,922
Disposals	(16,214)
At 31 December 2014	3,708
Accumulated depreciation	
At 31 December 2013	-
Charge for the year	95
At 31 December 2014	95
Net book amounts	
At 31 December 2014	3,613
At 31 December 2013	19,922

The fixed asset disposals relate to the sale and leaseback of the Citywest distribution facility site.

13 Financial assets

	Shares in unlisted companies €'000	Loans to IPOS entities and other loans €'000	Shares in retail holding and management companies €'000	Loans to retail holding and management companies €'000	Total €'000
GROUP					
Cost					
At 31 December 2013	16,923	33,198	49	31,500	81,670
Additions	-	-	-	2,000	2,000
Disposals	-	-	-	(19)	(19)
Reclassification on consolidation	(300)	-	-	-	(300)
Other reclassification to debtors	-	(50)	-	-	(50)
At 31 December 2014	16,623	33,148	49	33,481	83,301
Provision for impairment					
At 31 December 2013	16,016	26,766	30	12,592	55,404
Provision for diminution in value	260	-	4	802	1,066
At 31 December 2014	16,276	26,766	34	13,394	56,470
Net book value					
At 31 December 2014	347	6,382	15	20,087	26,831
At 31 December 2013	907	6,432	19	18,908	26,266

13 Financial assets - continued

	Shares in subsidiary companies €'000	Shares in unlisted companies €'000	Loans to IPOS entities and other loans €'000	Shares in retail holding and management companies €'000	Loans to retail holding and management companies €'000	Total €'000
COMPANY						
Cost						
At 31 December 2013	99,731	16,875	33,198	49	31,500	181,353
Additions	3,398	-	-	-	2,000	5,398
Disposals	-	-	-	-	(19)	(19)
Disposal of subsidiaries	(271)	-	-	-	-	(271)
Reclassification on consolidation	300	(300)	-	-	-	-
Other reclassification to debtors	-	-	(50)	-	-	(50)
At 31 December 2014	103,158	16,575	33,148	49	33,481	186,411
Provision for impairment						
At 31 December 2013	14,206	16,016	26,766	30	12,592	69,610
Provision for diminution in value	240	212	-	4	802	1,258
At 31 December 2014	14,446	16,228	26,766	34	13,394	70,868
Net book value						
At 31 December 2014	88,712	347	6,382	15	20,087	115,543
At 31 December 2013	85,525	859	6,432	19	18,908	111,743

13 Financial assets - continued

The main movements in financial assets in 2014 are set out below:

GROUP AND COMPANY

Shares in unlisted companies

Shares in unlisted companies are primarily investments arising from the IPOS scheme whereby the Group acquired a temporary minority interest in a number of pharmacy companies. The Group's interest in the IPOS scheme has not been treated as an associate undertaking as the Group does not participate in the commercial or financial policy decisions of the investee entities. Accordingly, the investments are included in the Group balance sheet at cost less provision for diminution in value. Shares in unlisted companies also include other investments.

The net book value at year-end of shares in unlisted companies was €347,000 (2013: €907,000).

The main movements in shares in unlisted companies in 2014 were:

- **Reclassification on consolidation:**
  The amount of €300,000 relates to Point of Care Health Services Limited where Uniphar's interest increased from 22.9% to 81.1% in 2014 giving it control of the company. Accordingly, the investment ceased to be a financial asset and the Company is instead consolidated into the Group's financial statements.
- **Provision for diminution in value:**
  During 2014 the Group felt it necessary to impair the carrying value of two non-consolidated pharmacy investments by €212,000 and other investments by €48,000 based upon a combination of trading performance and likely proceeds on eventual sale.

The closing net book value of €347,000 is comprised solely of investments in pharmacy companies. The prior year net book value of €907,000 was represented by investment in pharmacy companies of €559,000, an investment in Point of Care Health Care Services Limited of €300,000 and other investments of €48,000.

Loans to IPOS entities and other loans

During 2014 the Group increased its investment in Point of Care Health Services Limited to subsidiary status. Accordingly, a loan investment in this company of €50,000 has been reclassified to debtors: amounts due from subsidiaries.

The closing net book value is comprised of amounts recoverable from the IPOS funds of €6,382,000. The prior year net book value of €6,432,000 was represented by amounts recoverable from the IPOS funds of €6,382,000 and a loan to Point of Care Health Services Limited of €50,000.

Shares in retail holding and management companies

As part of the IPOS restructuring programme three retail holding companies, Riverchem Limited, Inischem Limited and Lindchem Limited, were formed to amalgamate and restructure the portfolio of pharmacies and were aligned to their funding banks. Management and administrative support to these companies is provided by Allcare Management Services Limited. Uniphar's investment in the equity of these companies amounted to €49,000. These companies are independent of the Group with independent shareholders owning the majority of the equity. The boards of these companies bring a wide range of retailing and pharmacy experience which will drive their future success.

During 2014 the Group fully impaired its equity interest of €4,000 in Allcare Management Services Limited. The closing net book value of €15,000 (2013: €19,000) represents the investment in Lindchem Limited. As at 31 December 2014, included within creditors– amounts falling due within one year was €8,973,000 (note 17) of deferred consideration due to the Liquidator in respect of these investments.

13 Financial assets - continued

Loans to retail holding and management companies

During 2014 the Group provided further loans of €2,000,000 to the retail holding companies, with €1,000,000 to Inischem Limited and €1,000,000 to Riverchem Limited. The value of the loans advanced to the retail holding companies at year end is €33,481,000. Cumulatively, these loans are represented by loan transfers of €26,000,000 and loans to acquire the disposed pharmacy interests of both Uniphar and the liquidator amounting to €7,481,000. The recoverability of these loans has been assessed based on each company's ability to repay each loan in accordance with the agreed terms and an additional impairment provision of €802,000 has been recognised in 2014. As at 31 December 2014, the Group has recognised a cumulative impairment provision of €13,394,000. The restructuring project is long term and the recoverability of these loans will be dependent on the underlying trading performance of their retail pharmacy investments, together with market place opportunities to acquire their underlying bank debt.

At year-end, the carrying value of amounts due from the retail holding and management companies amounted to €20,087,000 (2013: €18,908,000).

During 2014, the Group secured the repayment of €19,000 against loans advanced of €20,000 to other pharmacies and has fully impaired the residual amount owing of €1,000.

COMPANY

Shares in subsidiary companies

Financial assets of the parent company, Uniphar plc, include shares in subsidiary companies with a net book value of €85,914,000 (2013: €85,525,000). The main movements in 2014 were:

- **Additions:**
  In December 2014, Uniphar plc increased its interest in Point of Care Health Services Limited to 81.1% via a subscription of €600,000 for new share capital. This investment was in addition to its existing equity investment of €300,000 bringing its total investment to €900,000 (note 30).

  In 2014 the provisional fair values of Cahill May Roberts Limited acquired in 2013 were finalised. This resulted in an increase in consideration by €2,187,000 and additional transaction costs of €611,000 (note 30).

- **Disposals:**
  During 2014, Uniphar plc partially disposed of its investment in the following pharmacy companies:

- IPOS Holding 91 Limited reducing its holding from 51.4% to 30.4%;
- IPOS Holding 97 Limited reducing its holding from 84.8% to 73.4%;
- IPOS Holding 114 Limited reducing its holding from 33.0% to 22.0%.

The cost of investment associated with these transactions amounted to €271,000 and the proceeds on disposal amounted to €310,000. These three pharmacies continue to be controlled by the Group on the basis of voting rights and their part disposal has been accounted for as disposal of subsidiaries in the Group accounts (note 7).

- **Reclassification on consolidation**
  Reclassification on consolidation concerns the reclassification of the initial €300,000 investment in Point of Care Health Services Limited. Following its subscription of €600,000 for new share capital, Uniphar plc has obtained an 81.1% controlling interest via both share capital and voting rights. Consequently, the original investment balance of €300,000 has been transferred from 'Shares in unlisted companies' to 'Shares in subsidiaries' in the Company accounts.

- **Provision for diminution in value**
  During 2014, Uniphar plc impaired the carrying value of three pharmacy companies by a collective €240,000 based upon likely proceeds on full share disposal.

14 Stocks

	2014 €'000	2013 €'000
GROUP		
Goods for resale	43,923	50,503

The replacement cost of stocks did not differ materially from the balance sheet amounts at 31 December 2014 and 31 December 2013.

15 Debtors

	2014 €'000	2013 €'000
Debtors - amounts falling due within one year		
GROUP		
Trade debtors	122,604	121,019
Prepayments and accrued income	6,032	6,632
Other debtors	2,235	2,437
Deferred tax asset (note 16)	4,954	3,777
Deferred consideration receivable (see below)	447	447
	136,272	134,312

	2014 €'000	2013 €'000
COMPANY		
Trade debtors	7,326	11,881
Amounts due from subsidiaries	137,771	90,921
Prepayments and accrued income	2,746	2,188
Value added tax	-	632
Deferred tax asset (note 16)	911	625
Deferred consideration receivable (see below)	447	447
	149,201	106,694

The deferred consideration of €447,000 relates to the disposal of the UK subsidiary company, Uniphar International Holdings Limited in January 2012.

	2014 €'000	2013 €'000
Debtors - amounts falling due after more than one year		
GROUP		
Other debtors	1,670	2,224

16 Deferred tax asset

	€'000
GROUP	
At 31 December 2013	3,777
Credited to profit and loss account (note 8)	1,177
At 31 December 2014	4,954

	2014 €'000	2013 €'000
Deferred tax asset is comprised of:		
Tax written down value in excess of asset net book value	233	1,040
Losses and other timing differences	4,721	2,737
	4,954	3,777

The deferred tax asset in relation to losses reflects the Group's expected utilisation of carried forward trading tax losses in respect of its pharmaceutical wholesale and agency businesses.

The Group also has a potential deferred tax asset of €7,692,000 (2013: €1,985,000) arising from losses forward. The Directors believe sufficient taxable profits to utilise these losses will arise in the future, but there is currently insufficient evidence to support the recognition of a deferred tax asset. These balances may be carried forward indefinitely under current tax law and are available for offset against future profits generated by the companies which hold the losses.

	Deferred tax asset €'000
COMPANY	
At 31 December 2013	625
Credited to the profit and loss account	286
At 31 December 2014	911

The deferred tax asset relates to the recognition of tax losses on its management services trade.

17 Creditors

	2014 €'000	2013 €'000
Creditors - amounts falling due within one year		
GROUP		
Trade creditors and accruals	169,272	156,966
Other creditors and accruals	9,474	4,745
Corporation tax	382	493
PAYE/PRSI	1,316	1,316
Value added tax	3,388	2,654
Stamp duty	60	60
Bank overdrafts (note 26)	21	18,134
Bank loans (note 26)	61,749	52,128
Deferred acquisition consideration (note 30)	10,143	3,969
Deferred consolidation financial asset (note 13)	8,973	8,973
Liabilities arising under bank guarantees (note 29)	-	688
	264,778	250,126

17 Creditors - continued

Trade creditors include amounts due to certain suppliers who have reserved title to goods supplied. Since the extent to which these creditors are effectively secured at any time depends on a number of conditions, the validity of some of which is not readily determinable, it is not possible to indicate how many of the creditors were effectively secured by reservation of title.

	2014 €'000	2013 €'000
Creditors - amounts falling due within one year		
COMPANY		
Amounts owed to subsidiaries	217,587	143,010
Trade creditors	290	3,149
Accruals and other creditors	3,778	3,856
PAYE/PRSI	499	707
Value added tax	2	-
Stamp duty	60	60
Bank overdrafts	-	8,291
Bank loans	-	2,000
Deferred consideration financial asset (note 13)	8,973	8,973
Deferred acquisition consideration (note 30)	10,143	3,969
Liabilities arising under bank guarantees (note 29)	-	688
	241,332	174,703

	2014 €'000	2013 €'000
Creditors - amounts falling due after more than one year		
GROUP		
Bank loans (note 26)	25,656	39,115
Deferred acquisition consideration (note 30)	6,720	13,750
	32,376	52,865
The Group's bank loans are repayable in the following periods after 31 December:		
- Amounts falling due within one year	61,749	52,128
- Amounts falling due between one and five years	25,656	39,115
	87,405	91,243
COMPANY		
Bank loans	15,000	25,350
Deferred acquisition consideration (note 17 and 30)	4,533	13,750
	19,533	39,100

17 Creditors - continued

	2014 €'000	2013 €'000
The Company's bank loans are repayable in the following periods after 31 December:		
- Amounts falling due within one year	-	2,000
- Amounts falling due between one and five years	15,000	25,350
	15,000	27,350

Bank security

Bank overdrafts (including invoice discounting) and bank loans of €87,476,000 (2013: €109,377,000) are secured by cross guarantees and fixed and floating charges from the Company and certain of its operating subsidiary undertakings.

Of the total facilities, invoice discounting with recourse to the Company, is secured by way of assignment of book debts to the bank. At the balance sheet date €58,709,000 (2013: €47,171,000) of invoice discounting facilities were utilised by the Group.

Deferred acquisition consideration

Deferred acquisition consideration is payable in the following periods after 31 December in the Group and Company:

	2014 €'000	2013 €'000
- Within one year	10,143	3,969
- Between one and two years	6,720	9,500
- Between two and five years	-	4,250
	16,863	17,719

Deferred acquisition consideration reflects amounts payable relating to the acquisition of Cahill May Roberts Limited (note 30).

18 Provisions for liabilities

	Dilapidation provisions and other obligations €'000
GROUP	
At 31 December 2013	7,474
Movement during the year	(5,237)
At 31 December 2014	2,237

The dilapidation and other obligations provision relates to estimated liabilities in respect of leasehold properties of €1,852,000 (2013: €3,223,000) and other obligations of €385,000 (2013: €4,251,000). A transfer of economic benefits is expected within the next three years.

19 Called up share capital

	2014 €'000	2013 €'000
GROUP AND COMPANY		
Authorised:		
240 million ordinary shares of 8c each	19,200	19,200
16 million "A" ordinary shares of 8c each	1,280	1,280
	20,480	20,480
Movement in the year in issued share capital		
Allotted, called up and fully paid:		
At 1 January - 109,575,648 ordinary shares of 8c each (2013: 26,242,202)	8,767	2,100
Issued during the year - 397,336 ordinary shares of 8c each (2013: 83,333,446)	31	6,667
Fully called during the year - 787,266 ordinary shares of 8c each	63	-
At 31 December - 110,760,250 ordinary shares of 8c each (2013: 109,575,648)	8,861	8,767
Allotted, called up and partly paid:		
At 1 January - 4,471,676 ordinary shares of 8c each	89	-
Issued during the year - 4,015,500 ordinary shares of 8c each	81	89
Fully called during the year - (787,266) ordinary shares of 8c each	(16)	-
At 31 December - 7,699,910 ordinary shares of 8c each (2013: 4,471,676)	154	89
Total allotted share capital:		
At 31 December 2014 - 118,460,160 ordinary shares (2013: 114,047,324 ordinary shares)	9,015	8,856

During 2014, the following share movements concerning members of the Senior Management team occurred under the Groups long term incentive plan:

- Under the anti-dilution provisions of the Uniphar Executive Share Incentive Agreement, ordinary shares representing 7.5% of the Company's total issued share capital are reserved for management. On 1 October 2014, 397,336 of additional ordinary shares of €0.08 were issued at an issue price of €0.08 to those members who had an incentive entitlement in May 2013. As the conditions for share vesting were met in 2014, these shares were issued as fully paid and the consideration received for the allotment amounted to €31,000.
- The conditions for vesting were also met in respect of 787,266 of shares that were issued in May 2013 under the Group long term incentive plan. Accordingly on 1 October 2014, these shares that were previously partly paid at €0.02 per were fully called by the Company. The total value of the share issue amounted to €63,000 with €47,000 of additional consideration received in addition to the previous partly paid element of €16,000.
- On 1 October 2014, the Company issued 4,015,500 ordinary €0.08 shares for an issue price of €0.08. These shares were issued as partly paid at €0.02 per share pending further calls by the Company when the conditions for vesting are met. The consideration received for this allotment amounted to €81,000.

20 Reserves

	Capital redemption reserve €'000	Currency translation reserve €'000	Share premium €'000	Total €'000
At 31 December 2013	60	(171)	20,675	20,564
At 31 December 2014	60	(171)	20,675	20,564

	Capital redemption reserve €'000	Share premium €'000	Total €'000
COMPANY			
At 31 December 2013	60	20,675	20,735
At 31 December 2014	60	20,675	20,735

21 Profit and loss account

	€'000
GROUP	
At 31 December 2013	(17,709)
Loss absorbed for the year	(23,980)
Dividends paid to minority interests (note 10)	(21)
Other recognised gains and (losses) relating to the year	(2,453)
At 31 December 2014	(44,163)
COMPANY	
At 31 December 2013	(4,487)
Loss absorbed for the year (note 9)	(12,461)
At 31 December 2014	(16,948)

22 Retirement benefits

The pension entitlements of employees, including Executive Directors, arise under five defined benefit schemes and two defined contribution schemes and are secured by contributions by the Group to separately administered pension funds in the Republic of Ireland.

The defined benefit schemes are:

The Allied Pharmaceutical Distributors Limited Pension Plan
The United Pharmacists Co-Operative Society Limited Pension & Life Assurance Scheme
The Whelehan Group Pension Scheme
The Cahill May Roberts Limited Contributory Pension Plan
The Cahill May Roberts Limited No. 2 Plan

The pension charge for the year is €539,000 (2013: €378,000) comprising a current service cost of €127,000 (2013: €117,000), a past service cost of €91,000 (2013: gain €97,000) and defined contribution scheme costs of €321,000 (2013: €358,000). The net finance costs resulting from the scheme deficits is €114,000 (2013: income €29,000). The charge in the financial statements for exceptional items includes a curtailment loss of €nil (2013 : €292,000) and a past service cost of €nil (2013 : €555,000).

22 Retirement benefits - continued

The funding requirements in relation to the Group's defined benefit schemes are assessed in accordance with the advice of independent qualified actuaries and valuations are prepared at triennial intervals. Annual contributions are based on the advice of professionally qualified actuaries using the projected unit method. The actuarial valuation reports are available for inspection by members of the schemes at the registered office of the Company but are not available for public inspection.

An updated actuarial valuation for the purposes of Financial Reporting Standard 17 'Retirement Benefits' (FRS 17) was carried out as at 31 December 2014 by a qualified independent actuary in respect of Group pension schemes.

Financial instruments held by the defined benefit schemes
At 31 December 2014 the scheme assets were invested in a diversified portfolio that consisted primarily of equity and debt securities. Scheme assets do not include any of Uniphar plc's own financial instruments, nor any property occupied by Uniphar plc. The fair value of the schemes' assets as a percentage of total scheme assets and long term expected rates of return at the balance sheet date are shown as follows:

	Fair value		Expected return	
	2014	2013	2014	2013
	€'000	€'000	%	%
Equities	16,464	12,604	5.2	6.6
Bonds	25,358	18,517	1.2	3.2
Property	169	1,910	4.2	5.6
Cash	316	551	0.5	1.0
	42,307	33,582		
Average			4.9	4.6

The expected return on equities has decreased from 6.6% at 31 December 2013 to 5.2% at 31 December 2014 due to expected future global market performance. The expected rate of return on bonds has decreased from 3.2% in 2013 to 1.2% in 2014 due to a reduction in the yields available on long term government bonds.

	2014	2013
	%	%
Principal actuarial assumptions at the balance sheet date		
The main financial assumptions used were:		
Rate of increase in pensionable salaries	0.00%	0.00%
Rate of increase in pensions in payment	0.00%	0.00%
Discount rate	2.10%	3.70%
Inflation rate	1.50%	2.00%

Investigations have been carried out within the past three years into the mortality experience of the Group's major schemes. These investigations concluded that the current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are 21.0 (2013: 22.4) years for males and 23.5 (2013: 23.9) years for females.

22 Retirement benefits - continued

Principal actuarial assumptions at the balance sheet date - continued
The following amounts at the balance sheet dates were measured in accordance with the requirements of FRS 17:

	2014	2013
	€'000	€'000
Present value of scheme liabilities	(49,045)	(39,457)
Fair value of scheme assets	42,306	33,582
Pension liability	(6,739)	(5,875)
Related deferred tax	842	734
Net pension liability	(5,897)	(5,141)

The amounts recognised in the profit and loss account for the year ended 31 December 2014 are as follows:

	2014	2013
	€'000	€'000
(Charged) to operating (loss)		
Current service cost	(127)	(117)
Past service (cost)/credit	(91)	97
	(218)	(20)
(Charged) to exceptional item		
Curtailment loss	-	(292)
Past service cost	-	(555)
	-	(847)
(Charged)/credited to other finance income/(expense)		
Expected return on pension scheme assets	1,321	1,242
Interest on pension scheme liabilities	(1,435)	(1,213)
Net other finance (expense)/income	(114)	29

The actual return on scheme assets is a gain of €7,155,000 (2013: €1,270,000).

The amounts recognised in the statement of total recognised gains and losses for the year ended 31 December 2014 are as follows:

	2014	2013
	€'000	€'000
Analysis of amount recognised in statement of total recognised gains and losses		
Actual return less expected return on pension scheme assets	5,834	28
Experience gains arising on the scheme liabilities	378	1,925
Changes in assumptions underlying the present value of the scheme liabilities	(9,016)	(333)
Actuarial (loss)/gain	(2,804)	1,620

22 Retirement benefits - continued

The cumulative actuarial loss recognised in the statement of total recognised gains and losses from the date of adoption of FRS 17 up to and including the financial year ended 31 December 2014 is €6,983,000 (2013: €4,179,000).

Expected contributions for the year ended 31 December 2015 are €520,000.

	Pension assets €'000	Pension liabilities €'000	Pension deficit €'000
Movement in scheme assets and liabilities			
At 1 January 2013	16,005	(20,994)	(4,989)
Current service cost	-	(117)	(117)
Acquisitions gross of deferred tax (note 30)	17,502	(19,765)	(2,263)
Past service cost	-	(555)	(555)
Past service gain	-	97	97
Contributions	648	(53)	595
Interest on scheme liabilities	-	(1,213)	(1,213)
Expected return on scheme assets	1,242	-	1,242
Actuarial gain	28	1,592	1,620
Curtailment loss	-	(292)	(292)
Benefits (paid)/settled	(1,843)	1,843	-
At 31 December 2013	33,582	(39,457)	(5,875)
At 1 January 2014	33,582	(39,457)	(5,875)
Current service cost	-	(127)	(127)
Past service cost	-	(211)	(211)
Past service gain	-	120	120
Contributions	2,325	(53)	2,272
Interest on scheme liabilities	-	(1,435)	(1,435)
Expected return on scheme assets	1,321	-	1,321
Actuarial loss	5,834	(8,638)	(2,804)
Transfer in received	609	(609)	-
Benefits (paid)/settled	(1,365)	1,365	-
At 31 December 2014	42,306	(49,045)	(6,739)

	2014 €'000	2013 €'000
Movement in related deferred tax during the year		
At 1 January	734	623
Acquisitions (note 30)	-	283
(Charged)/credited to the profit and loss account (note 8)	(243)	30
Recognised in the statement of total recognised gains and losses	351	(202)
At 31 December	842	734
Pension liability (net of related deferred tax)	(5,897)	(5,141)

All of the scheme liabilities arise from schemes that are wholly or partly funded.

22 Retirement benefits - continued

	2014 €'000	2013 €'000	2012 €'000	2011 €'000	2010 €'000
Amounts for the current and previous four years:					
Present value of scheme liabilities	(49,045)	(39,457)	(20,994)	(17,185)	(17,048)
Fair value of scheme assets	42,306	33,582	16,005	15,039	15,168
Pension deficit (net of related deferred tax)	(6,739)	(5,875)	(4,989)	(2,146)	(1,880)
Experience gains/(losses) on scheme liabilities:					
Amount (€'000)	378	1,925	(73)	157	(198)
Percentage of the present value of the scheme liabilities	0.8%	4.87%	(0.35%)	0.9%	(1.2%)
Difference between the actual and expected return on scheme assets:					
Amount (€'000)	5,834	28	618	(1,310)	299
Percentage of scheme assets	13.8%	0.08%	3.9%	(8.7%)	2.0%

Defined contribution scheme

Included in accruals and other creditors is an amount of €43,000 (2013: €43,000) due in relation to the defined contribution schemes.

23 Employee share options

The Group's employee share options are equity-settled share-based payments as defined in Financial Reporting Standard 20 'Share-based Payments' (FRS 20). The FRS requires that a recognised valuation methodology be employed to determine the fair value of share options granted.

Uniphar plc Employee Share Option Scheme

A summary of activity under the Uniphar plc Employee Share Option Scheme over the year is as follows:

	2014		2013	
	Average exercise price in € per share	Options	Average exercise price in € per share	Options
At 1 January	1.13	8,000	1.13	8,000
Forfeited	1.13	(8,000)	1.13	-
At 31 December	1.13	-	1.13	8,000
Total exercisable at 31 December	1.13	-	1.13	8,000

23 Employee Share Options - continued

Analysis of closing balance - outstanding and exercisable at end of year

		2014		2013	
Date of grant	Date of expiry	Average in € per share	Options	Average in € per share	Options
1 November 2004	November 2014	1.13	-	1.13	8,000

No share based payment reserve exists at 2014 and 2013 year-ends in respect of this scheme. The cumulative charge to the profit and loss account was reversed previously when entitlements did not vest because non-market performance conditions were not met or where an employee in receipt of share entitlements relinquished service before the end of the vesting period.

Long term incentive plan

The Company operates a long term incentive plan for certain Executive Directors and Senior Management under which conditional shares have been granted, subject to the achievement of demanding group performance measures and operational targets. The Company can redeem these shares if certain criteria are not met.

In 2014 the Company allotted shares to members of the Senior Management team under the long term incentive plan. As set out in note 19, this comprised of 4,412,836 ordinary shares of €0.08 each for an issue price of €0.08 per ordinary share. Of the 4,412,836 ordinary shares issued, 397,336 ordinary shares were issued as fully paid. The balance of ordinary shares issued amounting to 4,015,500 ordinary shares were issued as partly paid at €0.02 per share. The corresponding issue of shares in 2013 was 4,471,676 ordinary shares of €0.08 each. As outlined in note 19, until the vesting conditions are met, the shares are partly paid at €0.02 per share pending further calls by the Company. No charge to the profit and loss account arises in either 2014 or 2013 in respect of this arrangement because the fair value is deemed to be the same as the nominal value.

24 Reconciliation of operating profit to net cash flow from operating activities

	2014 €'000	2013 €'000
Operating profit before operating exceptional items	12,038	6,037
Cash related exceptional items	(10,169)	(13,082)
	1,869	(7,045)
Depreciation	6,337	6,833
Goodwill amortisation	5,806	3,242
Loss on disposal of tangible assets	-	38
Decrease in stock	5,021	10,084
Increase in debtors	(4,944)	(724)
Increase in creditors	6,856	1,845
Net cash inflow from operating activities	20,945	14,273

25 Reconciliation of net cash flow to movement in net debt

	2014 €'000	2013 €'000
Increase/(decrease) in cash and overdrafts in the year	26,979	(7,383)
Cash flow from movement in borrowings	3,863	9,074
Decrease in net debt resulting from cash flows	30,842	1,691
Debt acquired during the year (note 30)	(5)	(5,330)
Movement in net debt in the year	30,837	(3,639)
Net debt at beginning of year	(100,704)	(97,065)
Net debt at end of year	(69,867)	(100,704)

26 Analysis of changes in net debt

	1 January 2014 €'000	Cash flow €'000	Acquisitions €'000	31 December 2014 €'000
Cash at bank	8,673	8,866	20	17,559
Bank overdraft	(18,134)	18,113	-	(21)
	(9,461)	26,979	20	17,538
Bank loans repayable within one year	(52,128)	(9,596)	(25)	(61,749)
Bank loans payable after one year	(39,115)	13,459	-	(25,656)
Bank loans	(91,243)	3,863	(25)	(87,405)
Net debt	(100,704)	30,842	(5)	(69,867)

27 Directors' and Secretary's interests in shares

The beneficial interests, including family interests, of the Directors and Secretary of Uniphar plc in office at 31 December 2014 in the share capital of Uniphar plc and subsidiary undertakings at 31 December 2013 (or date of appointment, if later) and 31 December 2014 were:

	31 December 2014 Ordinary shares	31 December 2013 Or (date of appointment, if later) Ordinary shares
M. Pratt	874,333	874,333
G. Rabbette	4,726,387	3,448,033
T. Dolphin	3,047,260	2,248,772
J. Holly	1,044,282	1,044,282
M. McConn	712,150	712,150
M. Murphy	1,741,288	1,741,288
M. Quinn	1,040,000	1,040,000
C. Shannon	1,628,103	1,628,103
P. Staunton	1,237,453	1,237,453
R. Hanratty (Secretary) (appointed 15 April 2014)	333,334	333,334

The Directors and Secretary did not hold any other shares in Uniphar plc or its subsidiary undertakings at 1 January 2014 (or date of appointment, if later) or 31 December 2014.

28 Future capital expenditure not provided for

	2014 €'000	2013 €'000
At 31 December 2014 the Group had capital commitments of €nil (2013: 332,000)		
Contracted for		
Plant and equipment	-	85
Computer equipment	-	247
	-	332

29 Contingent liabilities

Subsidiaries

The Company has guaranteed the liabilities, as defined in section 5(c) (iii) of the Companies (Amendment) Act, 1986, of all its subsidiaries in the Republic of Ireland, listed in note 33 (with the exception of companies whose principal activity is pharmacy), availing of the exemption under section 17(1) (c) of that Act.

29 Contingent Liabilities - continued

Guarantees

The Company and certain subsidiaries have issued guarantees totalling €10,244,000 (2013: €14,431,000) in respect of borrowings undertaken by IPOS scheme entities and customers of Cahill May Roberts Limited. Included in this total is an amount of €nil (2013: €688,000) recorded as liabilities on the Group and Company balance sheets which at 31 December 2014 falls due within one year (note 17). This gives rise to a contingent liability at year end of €5,185,000 (2013: €8,320,000) for the Group.

From a Company perspective, the contingent liability at year end is €10,244,000 (2013: €13,743,000). The reduction in the level of contingent liabilities is due to reduced underlying loan balances.

Legal

From time to time, in the normal course of business, the Group can be subject to claims from various parties. Having considered the status of such matters as at 31 December 2014, the Directors are satisfied that there are no such matters which require either a provision or contingent liability disclosure in the financial statements.

30 Acquisitions of subsidiary undertakings

Point of Care Health Services Limited

On 1 December 2014, the Group increased its shareholding in Point of Care Health Services Limited from 22.89% to 81.1% with an additional €600,000 invested and paid during the year. Goodwill arising on this acquisition amounted to €747,000 and is being amortised over 10 years. This transaction has been accounted for as an acquisition, with the disclosures required for substantial acquisitions under Financial Reporting Standard 6 'Acquisitions and Mergers'.

	2014 €'000
Tangible assets	62
Debtors	220
Net debt	(5)
Creditors – falling due within one year	(88)
Total net assets	189
Minority interest (note 34)	(36)
Group share fixed assets	153
Consideration	900
Goodwill arising on acquisition (note 11)	747

The book values of assets and liabilities are those per the management accounts of Point of Care Health Services Limited at the date of acquisition. The fair value ascribed to the net assets acquired and the purchase considerations are provisional, as estimates have been made of the carrying value of certain assets and amount of certain liabilities. This will be finalised in the 2015 financial statements when a detailed assessment of fair values will be completed.

30 Acquisitions of subsidiary undertakings - continued

Finalisation of provisional fair values of Cahill May Roberts Limited acquired in 2013

In the case of Cahill May Roberts Limited acquired in 2013, the provisional fair values were finalised in 2014. This resulted in a reduction of €12,905,000 in fair values ascribed to net assets accounted for, with a corresponding increase in the goodwill arising on acquisition (note 11).

	Provisional fair value to Group €'000	Revaluations	Revised fair value to Group €'000
Tangible assets	4,826	-	4,826
Stock	34,026	(1,560)	32,466
Debtors	63,638	(4,618)	59,020
Deferred tax asset	698	-	698
Net cash	7,773	-	7,773
Creditors - amounts falling due within one year	(64,968)	(3,544)	(68,512)
Pension liability net of related deferred tax	(1,980)	-	(1,980)
Provisions for liabilities	(7,474)	(385)	(7,859)
Total net assets	36,539	(10,107)	26,432
Consideration (including acquisition costs of €5.9m)	(48,288)	(2,798)	(51,086)
Goodwill arising on acquisition (note 11)	11,749	12,905	24,654

After an in depth review of the balance sheet subsequent to the integration of the two businesses, it has been possible to properly qualify appropriate revaluations required to finalise fair values. As a result, revaluations have been made to increase stock provision by €1,560,000, debtors provision has been increased by €4,618,000 and to increase creditors accruals by €3,544,000 and other similar obligations by €385,000.

Consideration has been increased by €2,798,000 which consists of additional deferred consideration of €2,187,000 and transaction costs of €611,000 (note 13).

The consideration (including acquisitions costs) contains €34,223,000 paid up to 2014 and €10,143,000 which will be settled during 2015 (note 17). Further deferred consideration of €6,720,000 is due for payment by 2016 (note 17).

31 Earnings per share

Earnings per share and fully diluted earnings per share have been calculated by reference to the following:

	2014 €'000	2013 €'000
Loss for the financial year	(23,980)	(17,854)
Weighted average number of shares in issue in the year (000's)	115,151	50,056
Dilutive effect of share options (000's)	-	8
Adjusted weighted average number of shares for fully diluted earnings per share (000's)	115,151	50,064

	2014 Total	2013 Continuing	2013 Discontinued	2013 Total
Earnings (€'000)	(23,980)	(3,025)	(14,829)	(17,854)
Earnings per ordinary share (in cent):				
- Basic	(20.8)	(6.0)	(29.7)	(35.7)
- Diluted	(20.8)	(6.0)	(29.7)	(35.7)

Adjusted earnings per share has been calculated by reference to the following:

	2014 €'000	2013 €'000
Loss for the financial year	(23,980)	(17,854)
Exceptional charge from investment in IPOS network (note 4)	5,009	2,337
Other exceptional charges (note 4)	8,441	15,604
Loss on disposal of subsidiary undertakings (note 7)	880	225
Loss on disposal of tangible assets (note 12)	17,133	-
Profit after tax excluding exceptional and other one-off items	7,483	312
Weighted average number of shares in issue in the year (000's)	115,151	50,056
Adjusted earnings per ordinary share (in cent)	6.5	0.6

32 Related party transactions

In the ordinary course of business as pharmacists, certain non-executive Directors have traded on standard commercial terms with the Group. The aggregate value of these transactions is not material in the context of the Group's financial results.

33 Group companies

Holding company	Principal activity
Uniphar plc	Investment holding company

Subsidiary companies	
Uniphar Wholesale Limited	Pharmaceutical wholesale distributor
Allphar Services Limited	Pharmaceutical supply chain services company
Cahill May Roberts Limited	Pharmaceutical wholesale distributor and agency company
Life Pharmacy Limited	Contract and marketing support services
Citywest Healthcare Limited (75.0% shareholding)	Pharmaceutical agency company
Point of Care Health Services Limited (81.1% shareholding)	Provision of specialist nursing and infusion services
IPOS Holding 30 Limited (63.0% shareholding)	Pharmacy
IPOS Holding 58 Limited (35.2% shareholding)	Pharmacy
IPOS Holding 63 Limited (66.0% shareholding)	Pharmacy
IPOS Holding 86 Limited (49.5% shareholding)	Pharmacy
IPOS Holding 91 Limited (30.4% shareholding)	Pharmacy
IPOS Holding 97 Limited (73.4% shareholding)	Pharmacy
IPOS Holding 114 Limited (22.0% shareholding)	Pharmacy
IPOS Holding 122 Limited (72.4% shareholding	Pharmacy
IPOS Holding 126 Limited (29.1% shareholding)	Pharmacy
IPOS Holding 158 Limited (72.4% shareholding)	Pharmacy
IPOS Holding 162 Limited (72.4% shareholding)	Pharmacy
Hicktron Holding Limited (67.2% shareholding)	Pharmacy
Ammado Limited	Non-trading
Powermed Healthcare Limited	Non-trading
Rangort Holdings Limited	Non-trading
Cross Gates Company	Non-trading
Surgicare Limited	Non-trading
Aegis Distributors Limited (60.0% shareholding)	Non-trading
Boileau & Boyd Limited	Non-trading
APD Industries Limited	Non-trading
UPC Company Limited	Non-trading
Friendly Properties Limited	Non-trading
Steripro Limited	Non-trading
Uniphar Operations Limited	Non-trading

All companies listed above are 100% owned unless otherwise stated.

In the case of companies where the Group has less than 50% shareholding, these have been consolidated in the Group's year end financial statements as Uniphar plc has a controlling interest in these companies.

The above companies are incorporated and operate principally in the Republic of Ireland with registered offices at 4045 Kingswood Road, Citywest Business Park, Co. Dublin with the exception of the subsidiary listed below:

Subsidiary company - UK	Registered office
Powermed Healthcare Limited	6th Floor Queen's House, 55 - 56 Lincoln's Inn Field, London WC2A 3LJ, United Kingdom

33 Group companies - continued

As set out in notes 13 and 30, during 2014 the Group increased its shareholding in Point of Care Health Services Limited from 22.9% to 81.1%. During 2014 the Group incorporated Citywest Healthcare Limited with a shareholding of 75%.

As set out in note 7, during 2014 the Group made partial disposals of its shareholdings in the following companies:

- IPOS Holding 91 Limited, reducing its equity interest from 51.4% to 30.4%;
- IPOS Holding 97 Limited, reducing its equity interest from 84.8% to 73.4%;
- IPOS Holding 114 Limited, reducing its equity interest from 33.0% to 22.0%.

All of the above companies continue to remain subsidiaries at year end.

34 Minority interests

	€'000
At 31 December 2013	4
Share of post acquisition profits	114
Acquisitions (note 30)	36
At 31 December 2014	154

Minority interests own the following stakes in the issued ordinary share capital of the entities set out below:

25.0% Citywest Healthcare Limited
18.9% Point of Care Health Services Limited
37.0% IPOS Holding 30 Limited
64.8% IPOS Holding 58 Limited
34.0% IPOS Holding 63 Limited
50.5% IPOS Holding 86 Limited
69.6% IPOS Holding 91 Limited
26.6% IPOS Holding 97 Limited
78.0% IPOS Holding 114 Limited
27.6% IPOS Holding 122 Limited
70.9% IPOS Holding 126 Limited
27.6% IPOS Holding 158 Limited
27.6% IPOS Holding 162 Limited
32.8% Hicktron Holding Limited
40.0% Aegis Distributors Limited

At 31 December 2014 minority interests of €154,000 have been recognised in the Group balance sheet for Point of Care Health Services Limited, IPOS Holding 58 Limited and Hicktron Holding Limited, based on the minority's share of net assets and profits. Minority interests have not been recognised in all other entities as they had net liabilities positions at 31 December 2014.

35 Commitments under operating leases

At 31 December 2014 the Group had commitments payable of €2,477,000 (2013: €228,000) under non-cancellable operating leases. These leases were due to expire in the following periods after 31 December:

	Buildings €'000	Plant and machinery €'000	Other assets €'000	2014 €'000	2013 €'000
Within one year	-	4	31	35	15
Between one and five years	113	67	162	342	213
Greater than five years	2,100	-	-	2,100	-
	2,213	71	193	2,477	228

36 Post balance sheet events

In January and February 2015, Uniphar plc disposed of its interests in the following pharmacy investments:

- IPOS Holding 30 Limited
- IPOS Holding 114 Limited.
- Collectively, the proceeds of the share redemptions and arrears of dividends in respect of above two pharmacies amounted to €400,000.

Following the end of the financial year, Uniphar plc has made the following investments:

- In February and March 2015, Uniphar plc increased its existing equity investment in Point of Care Health Services Limited from 81.1% to 90.7%;
- In February 2015, Uniphar plc purchased the bank debt and associated security of Riverchem Limited from Ulster Bank;
- In March 2015, Uniphar plc acquired 100% of the share capital of Star Medical Limited. Star Medical Limited is a UK registered company specialising in the recruitment and the provision of staff and related management services to the healthcare and pharmaceutical industry. It is envisaged that this strategic investment will represent the contract sales organisation offering by the Group as part of its commitment to manufacturer services.

The collective cost, including deferred consideration, of the above acquisitions will amount to approximately €12m.

Both the investment disposals and the investment acquisitions will be accounted for in the 2015 financial statements.

37 Corresponding amounts

Certain corresponding amounts have been adjusted so they are directly comparable with the amounts shown in respect of the current financial year.

38 Approval of financial statements

The Directors approved the financial statements on 30 April 2015.

List of Principals

ALLPHAR PRINCIPALS

3M Ireland Limited
ABBVIE
Actavis Ireland Limited
Actelion Pharmaceuticals UK Limited
Alcon Eye Care UK Limited
Allergan Pharmaceuticals
Almirall
AMCO Limited
Archimedes Pharma / Prostakan
Aryton Saunders/Pharmasol Limited
Aspen Pharma
B Braun Medical Limited
Bausch & Lomb
Bayer Consumer
Bayer Animal Health
Bayer Diabetes
Bio Oil Research Limited
Boehringer Ingelheim Ireland Limited
Bracco UK Limited
Carinopharm GmbH
Chemidex Pharmaceuticals Limited
Chiesi Pharma Limited
Chugai Pharma UK Limited
Citywest Healthcare Limited
Corpak Medsystems
Corr Healthcare Limited
Creo Pharma
Cruinn
CSL Behring
Daiichi Sankyo
Dermal Laboratories Limited
Desma Healthcare BV Swiss Branch
Elizabeth Arden
Eusa Pharma
Fairlie Marketing
Fannin
Farco Pharmaceuticals Limited
FATE
First Play Dietary Foods Limited
Forest Laboratories UK Limited
Fresenius Kabi Limited
Galderma UK Limited
Galen Pharmaceuticals Limited
Geistlich Sons Limited
Gedeon Richter
Genzyme Therapeutics Limited
Gluten Free Foods Limited
Green Cross
Grünenthal Pharma Limited
GSK Vaccines
H.R.A. Pharma
Heraeus Medical
Hollister Ireland
Hospira Limited
Intrapharm Laboratories Limited
Intersurgical
Intermune UK
Janssen-Cilag Limited
Ipsen Pharmaceuticals
John Bannon Limited
Lifescan
LogixX Pharma
Lundbeck (Ireland) Limited
Medicon Ireland Limited
Medinutrix
Medtronic Limited
Merck Serono Limited
Merial Animal Health
Mylan
Nestle Nutrition
Nicox Pharma
Nordic Pharma
Novartis Animal Health Ireland Limited
Novartis Consumer Health
Novartis Pharmaceuticals Irl
Novartis Vaccines
Novo Nordisk Limited
Nualtra
Nupo
Orion Pharma Ireland
Otsuka Pharma
Pamex Limited
Pharma Nord Limited
Pharmacosmos UK
Phoenix Labs
Pierre-Fabre
Pierre-Fabre Dermo-Cosmitque
Premier Medical Limited
Promedicare Limited
Punch Industries
Pure-Aid Healthcare Limited
Recordati Ireland Limited
Roche Products Ireland Limited
Sanofi Aventis Limited Ireland
Sanofi Pasteur MSD (SPMSD)
Sigma Tau Pharma Limited UK
Shield Healthcare
Shire Pharmaceuticals Limited
Slainte Solutions
Smith & Nephew ASD
Smith & Nephew Healthcare
Special Products Limited
Speciality European Pharma Limited
Stallergenes
Statens Serum Institute
T.P. Whelehan Son & Co. Limited
Teofarma
The Mentholatum Company Limited
Vitaflo International Limited
Zoetis Animal Health

uniphar
group

inside back

PRESCRIPTION MEDICINES

OTC PRODUCTS

PHARMACY BUSINESS SERVICES

MANUFACTURER SERVICES

INFORMATION TECHNOLOGY

HOSPITALS

HEALTH & BEAUTY RETAIL

NURSING SERVICES

MARKETING

CONTRACT SALES

uniphar group

Uniphar Head Office

4045 Kingswood Road, Citywest Business Park, Co. Dublin

• T: (01) 428 7777 • F: (01) 428 7776 • W: www.uniphar.ie