uniphar group

Annual Report 2013

Contents

Directors' Details

M. Pratt
Chairman

Appointed Chairman in 2009. 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 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.

Board of Directors as at 1 May 2014

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
Fitzwilton House
Wilton Place
Dublin 2

Bankers

Ulster Bank Group
George's Quay
Dublin 2

Bank of Ireland
2 Burlington Plaza
Burlington Road
Dublin 4

Uniphar Group Vision and Purpose

Owned by community pharmacists, our purpose is to build trust through co-operation and communication, to meet the needs of our customers, principals and shareholders. This will be attained by delivering the right product, at the right time, at the best price and by supporting our customers' profitability and service through constant improvement and innovation.

Ireland's leading pharmaceutical agent and distributor for international pharmaceutical companies

ALLPHAR

A leading distributor of pharmaceutical and healthcare products to pharmacy

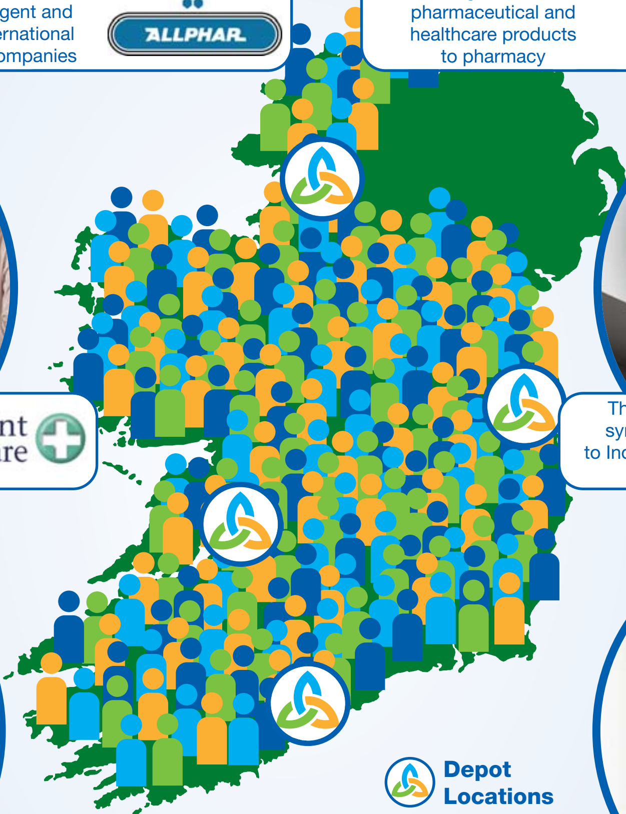
uniphar wholesale

Transforming the way patient's receive medical treatments in the community, by combining our accredited nurse and clinic network with innovative technology

Point of Care

The high quality retail symbol group offering to Independent community pharmacies

life pharmacy advice for living well



Ireland's largest specialist sourcing solution for all exempt medicinal products and manufactured specials

PharmaSource Tailored Solutions For Unique Needs

Ireland's largest membership based procurement service delivering best value deals to pharmacy

link the power of working together

uniphar group

Provision of products and services to our veterinary customers

uniphar wholesale Veterinary

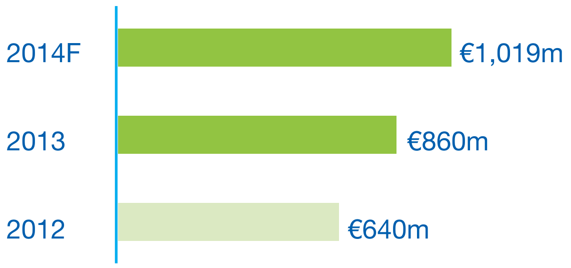
Complete photographic hardware & consumable supply service with expert advice and consultancy

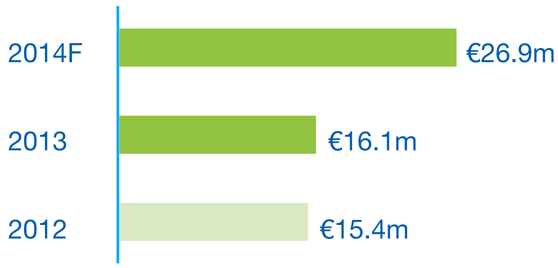
uniphoto

Revenue up 59% ▲

EBITDA up 75% ▲

Strong Revenue and EBITDA growth in 2013 after just 7 months of the enlarged business. Further strong growth is projected for 2014F (Forecast) below given the full year impact of the acquisition of Cahill May Roberts Limited (CMR) and further planned integration savings.

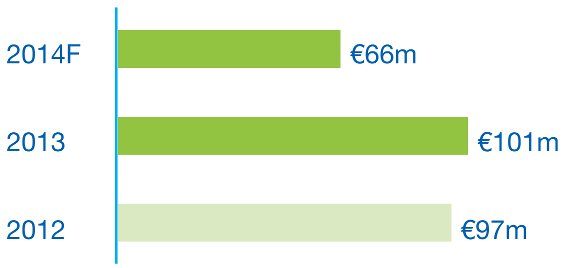


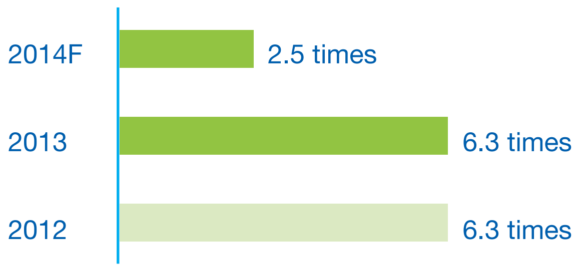


Debt down 32% ▼

Debt/EBITDA down to 2.5 ▼

The successful €25m equity raise in 2013 ensured the CMR acquisition investment did not increase debt. As part of the continuing drive to reduce debt, a €26.5m sale and leaseback property deal was concluded after year end 2013 and is reflected in the 2014 Forecast below.





Summary Results

Year Ended December	2013	2012	2011	2010	2009
	€'000	€'000	€'000	€'000	€'000
Turnover	860,495	639,639	613,990	650,332	730,515
EBITDA	16,112	15,361	16,584	10,580	17,209
Profit/(loss) before tax	(19,676)	(4,662)	3,415	(12,752)	(7,616)
Profit/(loss) before tax excluding exceptional items	(1,510)	2,905	3,327	(3,328)	7,489
Net debt	100,704	97,065	87,776	75,468	114,630

Supporting Community Pharmacy

Customer Web Portal

Online Ordering

Customer Account Details

Live stock availability

P.I.M.S. Broadband Ordering

Link

uniphar group

Helping Pharmacy Buy Better, Sell More and Improve Efficiency

Promotional Product Offers

Retail Supports and Offers

Retailing Advice

Monthly Newsletters

Monthly Promotional Signage

Category Management

Transformational acquisition of competitor

Uniphar completed the acquisition of Cahill May Roberts Limited (CMR) in May 2013 to create a substantial independent pharmaceutical wholesaler with projected 2014 revenues in excess of €1billion.

Substantial operational leverage following restructuring

Following a three year restructuring programme, the Uniphar Group is a flexible low cost operation, positioned to profit from increased volumes of enlarged business.

State of the art infrastructure and systems

The Citywest Distribution Centre is one of the most efficient in Europe and represents a substantial competitive advantage. Combined with SAP, the level of automation and technology enables Uniphar to offer an unbeatable low cost service.

Proven management team

Uniphar is managed by a team of experienced professionals, who have delivered the restructuring programme and executed the CMR acquisition. This team is now firmly focused on delivering further expansion opportunities into the future.

Strong player in a recovering economy

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

15,000 medicines stocked with a service level of 99.6%

3 hours is the average order lead time with 70% of business delivered in the morning

95% of business processed electronically

780,000 medicines delivered daily

5,500 orders per day

Uniphar Group is a progressive Irish enterprise, owned by Community Pharmacists, with core competencies in the fields of distribution, marketing, sales and market driven value added initiatives. The Group operates within the healthcare and health related sectors.

Our business ethos encompasses excellent service quality in a challenging work environment, professionalism among our employees, well managed resources and the enhancement of shareholder value.

Chairman's Statement

In 2013, we saw the foundations for the new Uniphar laid. The acquisition of Cahill May Roberts Limited in May 2013, has transformed the Group into an annualised €1 billion business with the strength to compete and the capacity to grow despite the difficulties of the current environment. The integration of the two companies was well managed and at the end of 2013 the Group, in spite of the complexity of the task, had substantially completed the programme of work. Towards the end of the year, we were able to go to our existing shareholders and pharmacy customers to raise new equity for the Group. The year saw the enlarged core business perform satisfactorily, notwithstanding the pressures on operations from both the integration of Cahill May Roberts Limited and the introduction of SAP.

Performance highlights

I am pleased to report an increase in our operating earnings before interest, tax, depreciation, amortisation and exceptional items year on year. In a context of continued economic instability and uncertainty in the market, the Group performed well in 2013, delivering a 10% increase in continuing EBITDA (before the impact of acquisitions) on the back of continued cost control and successful implementation of new initiatives.

The cost of the integration of Cahill May Roberts Limited and the associated restructuring was €15.6m and is included in this year's results in exceptional items. Taking into account that this is an exceptional cost, the continuing EBITDA for 2013 before the impact of acquisitions, shows an improvement of €1.5m on last year.

The IPOS restructuring is now complete with a further decrease in our Group bank loan guarantee contingent liabilities from €71.2m in 2010 before IPOS restructuring to €8.3m at year end 2013. This is expected to continue to fall over the next few years. The reduction in the level of bank loan guarantees represents a significant achievement in terms of creating a stable platform for future growth of the business.

Equity fundraising

Although Uniphar has made substantial progress in the last three years, it was clear that a stronger capital base would be required for the new, greatly enlarged annualised €1 billion business. In September 2013, we invited customers and existing shareholders to attend one of eight road shows around the country. At the road shows, we presented our business plan and outlined the strong business case for equity investing in Uniphar at this stage. The goal was to raise in the region of €20m to strengthen the balance sheet, improving the net debt to equity ratio.

There was huge support for the Uniphar fund-raising from the independent pharmacy community. The share issue was heavily over-subscribed and the Board therefore decided to use its discretion to raise funds to the maximum threshold of €25m, to meet the demand from customers and existing shareholders. Every existing pharmacy/shareholder received their full allocation of shares but despite this, we still had to refuse in excess of €8m in funding from outside investors.

Acquisitions and disposals

The acquisition of Cahill May Roberts Limited from Celesio AG for €48.3m was completed on 14 May 2013. The acquisition was funded by the Company's existing banks, which was a great vote of confidence in Uniphar and its management team. Of this sum, €25m has already been paid back following the issue of new equity shares.

People

The process of integration of Cahill May Roberts Limited, including Movianto, its pre-wholesale business, into the Group required a huge effort on behalf of staff at all levels. Following the acquisition, it was important to eliminate any duplication in facilities and the Uniphar depots in Sligo and Cork were closed together with the rationalisation of operations at the Cahill May Roberts Limited depot in Chapelizod in the first three months of the integration, with the loss of 182 jobs. On behalf of the Board, I would like to thank all employees, past and present, for their hard work, commitment and flexibility in a time of change.

There have also been additions to the senior team at Uniphar. After the year-end, Brendan O'Connell, who has been Managing Director of Allphar Services Limited for many years has agreed to take on the role of Chairman of the Allphar Board and take responsibility for the strategic development of the enlarged pre-wholesale business. The running of operations will now be the responsibility of Padraic Dempsey. Gwynne Morley has also joined us as Managing Director of the Retail Services business.

Dividend policy for 2013

The Board is proposing that we continue to defer dividend payments for the current year to enable us to further reduce our net debt and maintain net assets. We remain committed to resuming dividend payments at the earliest possible opportunity to the Group's shareholders.

Corporate governance

The Board and management continue our commitment to maintaining the highest levels of corporate governance. The Board has worked hard to find resolutions to a number of legacy issues. On 4 March 2013, following an Extraordinary General Meeting, the High Court sanctioned a Scheme of Arrangement to resolve an historical issue related to how Uniphar shares had been traded. It also confirmed a number of ancillary capital reductions to correct the Share Capital of the Company. The resolution of this issue removed a significant obstacle to the resumption of trading in Uniphar shares.

As usual, we have set out a detailed statement in this Annual Report. Due to a recent change to the Combined Code, we are currently working towards full compliance with this new Code. We would expect to be fully compliant by 2015.

Vision and outlook

Looking to our current activities in 2014, the Group is trading well and continues to make good progress. With the major programmes of integration and introduction of SAP complete, the senior team at Uniphar can now focus solely on the development of the core business.

With the period of significant change behind it and an investment of over €77m made in technology and infrastructure in the last number of years, the Group will continue to grow revenue, reduce its cost base and get increasing returns from its investment.

Allphar continues to win new clients and has delivered a 13% increase in turnover in 2013. The pre-wholesale business has been strengthened by the addition of the Movianto business. Uniphar Wholesale, following the integration of Cahill May Roberts, has made progress despite the difficulties of the prevailing conditions.

The Company is also preparing for changes to the market dynamics in the future – the model that the industry has worked within for many years is going to change and the Company will be ready to take advantage of that new environment. With its greater scale and increased technical capability, Uniphar is in a stronger position to deal with the fast changing market in the sector.

I would like to thank our business partners and our customers for working with and supporting us during the past year. What has been achieved in the last year would not have been possible without the support of our customers and shareholders. This is the start of a new period for Uniphar, where the executive team can focus fully on the development of the business and the return of shareholder value.

Our goal is to be the leading healthcare service provider in the marketplace, delivering good returns to our shareholders and providing best in class service to our independent community pharmacy customers. I believe that for the first time in many years, the elements are in place that will allow us to deliver on this vision in the years ahead.

Maurice Pratt
Chairman

Chief Executive's Report

The strategic decisions made in 2012 laid the foundations for 2013 to be an exceptionally busy and challenging year for Uniphar. In 2013, the team undertook two major projects; the successful integration of Cahill May Roberts Limited into the Uniphar Group and the completion of the implementation of SAP across all areas of the business. With 1,500 pharmacy customers and over 2,000 separate accounts to combine, 159 routes and the largest fleet of vehicles in the sector, the Cahill May Roberts Limited integration was a significant task, which will be completely finalised in quarter two of 2014. The SAP project involved implementing a single integrated system to manage our procurement, sales ordering, accounting and HR processes. However, as a result of these efforts, we can now look forward into 2014 from a stable, secure and much enlarged platform, where we have the scale to compete and the operational agility to meet the challenges of what remains a difficult market environment.

A key element in building that secure platform for the future was the decision to go to our shareholders to raise new equity to fund the business. From the outset, our desire was to ensure that ownership of Uniphar stayed in the hands of Irish independent community pharmacy, especially active customers. Priority was given to independent community pharmacists and existing shareholders. The equity offering was significantly over-subscribed and €25m was raised. The company's Balance Sheet is now much stronger than it has been for many years and we are well on our way to a net debt to EBITDA ratio of less than three.

The integration of Cahill May Roberts Limited into the Uniphar Group went smoothly and has been completed on schedule. As a result of the integration, we closed two depots and rationalised another depot resulting in the loss of 182 colleagues. We worked hard to make sure that everyone was looked after well and, as a result, the consultation and negotiation was completed ahead of schedule and without significant difficulty. The Citywest warehouse is now operating at 60% capacity, up from 40% prior to the acquisition of Cahill May Roberts Limited, leaving significant room for growth in the future.

Within the overall business, I am pleased to report that 2013 was a year of growth, resulting in a 10% increase in our continuing operations EBITDA (before the impact of acquisitions) from €13.9m to €15.4m with a further €0.7m of EBITDA arising from acquisitions, new initiatives and the completion of the restructuring programme which commenced in 2010. The costs associated with restructuring to integrate Cahill May Roberts Limited into the business were €15.6m. Before the acquisition, active cost management and the initial three year restructuring programme had reduced overheads by 41%. The integration related synergies along with a continued focus on active cost management across the Group, has ensured that overheads continue to be tightly managed.

Pharmacist-owned and Irish-run, we are the only wholesaler truly aligned to supporting independent pharmacy and our commitment is stronger than ever. Post acquisition, Uniphar has doubled its market share and is in a strengthened position with 50% of the market. This gives Uniphar the market power to be able to compete aggressively and offer the best combination of value and innovative services and support to our independent pharmacy customers.

The continuing impact of government cuts, the challenging consumer environment and the global patent cliff makes the market for independent pharmacy ever more difficult. Our core strategy remains to support the pharmacy sector by helping pharmacists to grow revenue and reduce costs. For example, we have initiatives such as LINK, which has recently been significantly upgraded, offering a broader range of products and supports to members. We have reduced the barrier to entry for the Life symbol group, which will allow more pharmacists to take advantage of the marketing and merchandising support of being part of a group brand while remaining independent. We see our role as supporting the independent pharmacist by working in partnership both with the manufacturers and pharmacists, to deliver added value and support in the face of the many challenges that are currently facing independent pharmacy.

Allphar has had a good year and saw an increase in sales of 13%. Movianto, the pre-wholesale business of Cahill May Roberts Limited, strengthened our position in the pre-wholesale market, allowing us to provide a world class supply chain solution and a wide range of value added services to an even larger number of principals. Allphar now has the largest hospital business in the country and has increased its share of the pre-wholesale market. In addition, the new enlarged Allphar team was successful in winning a number of significant new distribution contracts during the year, notably Sanofi, AbbVie, Genzyme, Otsuka Pharma and Hospira. After the year end, there has been changes to the current management team. Brendan O'Connell has taken on the role of Chairman of the Allphar Board and Padraic Dempsey has taken on the responsibility of Managing Director. The Group continues to be committed to leveraging our market leadership position with independent pharmacy to build a strong partnership with manufacturers, mutually beneficial to all parties concerned.

2013 is the year that marked a new beginning for Uniphar. Bigger, stronger, better equipped, supported by shareholders, the Uniphar management team can now focus all its attention on the core business and on supporting the independent community pharmacy customer. Into 2014 and beyond, we will have to deal with external threats from aggressive competition, government cuts and challenging global trends. However, thanks to the loyalty of our customers, principals and shareholders and the hard work of our Board and our exceptionally dedicated people, we will be doing it from a much strengthened position. While there are many trials ahead, I firmly believe that Uniphar plc is in a stronger position than ever to meet those challenges and to provide real support to independent community pharmacy.

Gerard Rabbette
Group Chief Executive Officer

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 to 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 executive management.

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 to serve 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 2. 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. E. Condon was appointed Company Secretary on 27 June 2013, replacing M. Forristal. On 15 April 2014, E. Condon resigned as Company Secretary and was replaced by R. Hanratty.

Terms of appointment

It is Board policy that 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

New Directors are provided with extensive briefing materials on the Group and its operations as well as training where relevant. Visits to Group businesses and briefings with senior management take place as appropriate. 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-fourth 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 2013. Details of Directors' attendance at those meetings are set out in the table on page 16. 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 2013 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 2 that the members of the Committee bring to it a wide range of experience and expertise. The Committee met six 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 Board of 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 Board of 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 recognises the importance of shareholder communications. The Directors believe that the Annual Report and financial statements and other regular shareholder communications provide a balanced and transparent assessment of the Group's position and prospects. 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.

Corporate social responsibility

Corporate social responsibility is embedded in all Uniphar operations and activities. Excellence in environmental, health and safety performance is a key daily priority of line management. 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 2013, the focus was on the integration of the businesses of Uniphar and Cahill May Roberts Limited and ensuring that all employees were treated fairly in an environment impacted by restructuring. In 2014 there is a new focus on corporate social responsibility and a number of initiatives around employee welfare, charitable giving and internal communication are already in train.

Uniphar plc is very active in environmental awareness and is an active member of Repak. Over 80% of the Group's waste goes to recycling. The Group endeavours as always to reduce its carbon footprint and again this year we have reduced electricity and gas consumption by rolling out a number of business initiatives.

The Uniphar social committee organises events for local charities together with recreational and sporting events for employees and their families. In addition, the Group is supportive of charitable initiatives undertaken by individual employees. The Group is committed to both the personal and career development of its employees.

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.

Internal control - continued

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. 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 17-20), 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 2013:

	Board		Audit, Risk and Compliance Committee		Nomination Committee*		Remuneration Committee	
Director	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**
M. Pratt	10	10	-	-	-	-	3	3
G. Rabbette	10	10	-	-	-	-	-	-
T. Dolphin	10	10	-	-	-	-	-	-
J. Holly	10	10	6	6	-	-	-	-
M. McConn	10	10	-	-	-	-	-	-
M. Murphy	10	10	6	6	-	-	-	-
B. O'Connell	10	10	-	-	-	-	-	-
M. Quinn	10	8	6	6	-	-	3	3
C. Shannon	10	10	-	-	-	-	-	-
P. Staunton	10	9	-	-	-	-	3	3

* There were no meetings of the Nomination Committee held in 2013. The Committee met on 30 January 2014.

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 2013.

Principal 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 wholesale and pre-wholesale distribution of products and the provision of related services for the pharmaceutical and healthcare sector.

- Uniphar Wholesale 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.
- Allphar Services is a pre-wholesale agency company that represents prestigious international pharmaceutical companies in Ireland.

Acquisitions

Following approval from the Competition Authority in May 2013, Uniphar Group acquired the wholesale and pre-wholesale businesses of Cahill May Roberts Limited from Celesio AG for a consideration of €48.3m. The integration of the acquired businesses into the Uniphar Group has been successful. The combined Group with its enlarged customer base and increased market share, has the scale and scope to take full advantage of the investments in technology and infrastructure made in recent years. During the integration, all opportunities to further reduce the cost base and improve service to independent community pharmacy have been pursued and the Group is now in a stronger position to meet the challenges of an increasingly difficult market.

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 will continue in business.

The Directors are responsible for keeping proper books of account, which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements are 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 the Group 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 14 May 2013, the Group entered in to a new facility with Ulster Bank Ireland Limited and Bank of Ireland for a term up to May 2017. 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 Company 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 Company 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 Company's obligation to keep proper books of account are 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, requires companies to disclose all political donations to any individual party over €5,079 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 Company or any of its subsidiaries.

Results for the year

The Group profit and loss account for the year ended 31 December 2013 and the Group Balance Sheet at that date are set out on pages 22 and 24 respectively. The Group earnings before interest, tax, depreciation, amortisation and exceptional items are €16,112,000 (2012: €15,361,000). The Group's loss on ordinary activities before tax of €19,676,000 compares to a loss of €4,662,000 incurred in 2012. After adding a tax credit of €1,846,000 (2012: €652,000 credit) and deducting minority interest of €24,000 (2012: €573,000), the loss for the financial year is €17,854,000 (2012: loss of €4,583,000).

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 12 to 16. 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:

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.

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
Consumer spending and, particularly, the overall consumer and hospital spend on medicines impacts significantly on the Group. The weak state of the public finances, the high absolute spend in health and the 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.

HSE regulation
Government pressure to significantly reduce overall healthcare expenditure has led to significant downward pressure on product pricing and trade margins. These actions have materially impacted on business performance and this trend is set to continue in the short/medium term. The HSE has stated their intention to introduce generic substitution and reference pricing on certain molecules during 2014 and has expressed its intention to continue reducing the amount spent on medicines in Ireland.

Principal risks and uncertainties - continued

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. Within the European Union, prices of proprietary medicinal products are set by national governments to control their healthcare expenditure. The volume of parallel imports is significant as a consequence of the divergence in the prices set by national governments. 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. The major risks to the Group of PI are:

(1) the continued threat to the business of Allphar Services which has exclusive distribution rights in Ireland for certain products, some of which are being parallel imported.

(2) the threat to the Uniphar wholesale business which is competing with PI companies offering identical pharmaceutical products to customers at greater discounts than Uniphar can offer.

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.

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	

M. Forristal resigned as Company Secretary and E. Condon was appointed as Company Secretary on 27 June 2013. 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
J. Holly	Retires by rotation
M. Murphy	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 2013, opting instead to further reduce net debt and maintain net assets.

Future developments

The Group will continue to work to reduce the level of debt on the Group Balance Sheet which, while much improved, is not yet at the desired level of a net debt to equity ratio of three or less. 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 wholesale 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 July 2014. 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 Auditors' Report to the Members of Uniphar plc

We have audited the financial statements of Uniphar plc for the year ended 31 December 2013 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 page 17, 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 2013 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 2013 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 2014

Group Profit and Loss Account

GROUP PROFIT AND LOSS ACCOUNT
Year Ended 31 December 2013

	Notes	2013 Continuing activities €'000	2013 Acquisitions €'000	2013 Total €'000	2012 Total €'000
Turnover	2	631,901	228,594	860,495	639,639
Cost of sales		(588,529)	(216,804)	(805,333)	(597,407)
Gross profit		43,372	11,790	55,162	42,232
Distribution costs		(10,907)	(4,655)	(15,562)	(11,241)
Administrative expenses		(17,141)	(6,507)	(23,648)	(16,243)
Other operating expenses:					
- Depreciation charge	12	(6,465)	(368)	(6,833)	(5,451)
- Goodwill amortisation	11	(2,039)	(1,203)	(3,242)	(1,578)
Other operating income	3	86	74	160	613
Operating profit/(loss) before operating exceptional items		6,906	(869)	6,037	8,332
Exceptional charge	4	(2,337)	(15,604)	(17,941)	(2,950)
Operating (loss)/profit	5	4,569	(16,473)	(11,904)	5,382
(Loss) on disposal of subsidiary undertakings	7			(225)	(4,617)
(Loss)/profit before interest and taxation				(12,129)	765
Net interest payable	6			(7,547)	(5,427)
(Loss) before taxation				(19,676)	(4,662)
Taxation credit	8			1,846	652
(Loss) before minority interest				(17,830)	(4,010)
Minority interest	34			(24)	(573)
(Loss) for the financial year	21			(17,854)	(4,583)
(Loss) per ordinary share (in cent):	31				
- Basic				(29.7)	(17.5)
- Diluted				(29.7)	(17.5)
(Loss) per ordinary share (in cent): from continuing activities:	31				
- Basic				(6.0)	(15.2)
- Diluted				(6.0)	(15.2)

On behalf of the Board

M. Pratt

G. Rabbette

Group Statement of Total Recognised Gains and Losses

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Year Ended 31 December 2013

	Notes	2013 €'000	2012 €'000
(Loss) for the financial year	21	(17,854)	(4,583)
Unrealised foreign currency translation adjustments	20	29	(110)
Actuarial gain/(loss) in respect of pension scheme	22	1,620	(3,604)
Deferred tax on actuarial (gain)/loss in respect of pension scheme	22	(202)	450
Total recognised gains and (losses) relating to the year		**(16,407)**	**(7,847)**

On behalf of the Board

M. Pratt

G. Rabbette

Group Balance Sheet

GROUP BALANCE SHEET
As at 31 December 2013

	Notes	2013 €'000	2012 €'000
Fixed assets			
Intangible assets	11	34,668	21,832
Tangible assets	12	70,675	67,057
Financial assets	13	26,266	26,583
		131,609	115,472
Current assets			
Stocks	14	50,503	26,250
Debtors - amounts falling due within one year	15	134,312	67,260
Debtors - amounts falling due after more than one year	15	2,224	1,208
Cash at bank and in hand		8,673	17,483
		195,712	112,201
Creditors - amounts falling due within one year	17	(250,126)	(165,043)
Net current liabilities		(54,414)	(52,842)
Total assets less current liabilities		77,195	62,630
Creditors - amounts falling due after more than one year	17	(52,865)	(54,812)
Provisions for liabilities	18	(7,474)	-
Net assets excluding pension liability		16,856	7,818
Pension liability	22	(5,141)	(4,366)
Net assets including pension liability		11,715	3,452
FINANCED BY			
Capital and reserves			
Called up share capital	19	8,856	2,100
Share premium account	20	20,675	2,342
Foreign currency translation reserve	20	(171)	(200)
Capital redemption reserve	20	60	60
Profit and loss account	21	(17,709)	(1,173)
Shareholders' funds		11,711	3,129
Minority interests	34	4	323
		11,715	3,452

On behalf of the Board

M. Pratt

G. Rabbette

COMPANY BALANCE SHEET
As at 31 December 2013

	Notes	2013 €'000	2012 €'000
Fixed assets			
Tangible assets	12	19,922	16,214
Financial assets	13	111,743	62,563
		131,665	78,777
Current assets			
Debtors - amounts falling due within one year	15	106,694	70,007
Cash at bank and in hand		548	297
		107,242	70,304
Creditors - amounts falling due within one year	17	(174,703)	(98,215)
Net current liabilities		(67,461)	(27,911)
Total assets less current liabilities		64,204	50,866
Creditors - amounts falling due after more than one year	17	(39,100)	(43,215)
Net assets		25,104	7,651
FINANCED BY			
Capital and reserves			
Called up share capital	19	8,856	2,100
Share premium account	20	20,675	2,342
Capital redemption reserve	20	60	60
Profit and loss account	21	(4,487)	3,149
Shareholders' funds		25,104	7,651

On behalf of the Board

M. Pratt

G. Rabbette

Group Cash Flow Statement

GROUP CASH FLOW STATEMENT
Year Ended 31 December 2013

	Notes	2013 €'000	2012 €'000
Net cash inflow from operating activities	24	14,273	13,034
Returns on investment and servicing of finance			
Interest paid		(6,192)	(4,127)
Dividends paid to minority interests	10	(100)	(181)
		(6,292)	(4,308)
Taxation			
Corporation tax receipts		-	220
Corporation tax payments		(340)	-
		(340)	220
Capital expenditure and financial investment			
Payments to acquire tangible assets		(4,595)	(6,032)
Receipts from disposal of tangible assets		2	95
Payments to acquire financial assets	13	(651)	(2,481)
Loans advanced to retail holding and management companies	13	(2,000)	(7,000)
Loans advanced to IPOS entities and other loans	13	(50)	(110)
Receipts from disposals/repayments of financial assets	13	523	1,917
		(6,771)	(13,611)
Acquisitions and disposals			
Proceeds from disposal of subsidiary undertakings	7	737	10,398
Cash transferred on disposal of subsidiary undertakings		(599)	(343)
Payments to acquire subsidiary undertakings	30	(31,261)	-
Net cash acquired on acquisition of subsidiary undertakings	30	7,773	-
Pharmacy subsidiary capital redemption costs		-	(1,334)
		(23,350)	8,721
Cash (outflow)/inflow before financing		(22,480)	4,056
Financing			
Issue of shares	19	25,089	-
Net movement in borrowings	25	(9,074)	(9,279)
Bank guarantees paid	17	(918)	(229)
		15,097	(9,508)
Decrease in cash and overdrafts in the year	25	(7,383)	(5,452)

On behalf of the Board

M. Pratt

G. Rabbette

Group Reconciliation of Movements in Shareholders' Funds

GROUP RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
Year Ended 31 December 2013

	Notes	2013 €'000	2012 €'000
Total recognised gains and (losses) relating to the year		(16,407)	(7,847)
Increase in issued share capital	19	6,756	-
Increase in share premium	20	18,333	-
Dividends paid to minority interests	10	(100)	(181)
Capital redemption reserve credit	20	-	60
Increase/(decrease) in shareholders' funds		8,582	(7,968)
Opening shareholders' funds		3,129	11,097
Closing shareholders' funds		11,711	3,129

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.

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 may acquire shares in the Company under long term incentive plans.

Foreign currencies
Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date and 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.

Accounting Policies - Continued

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.

1 Basis of consolidation

The Group financial statements are prepared for the year ended 31 December 2013. 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

	2013 €'000	2012 €'000
Turnover	860,495	639,639

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

	2013 €'000	2012 €'000
Other income and commission	92	118
Dividends receivable from investments	68	495
	160	613

4 Exceptional charge

	2013 €'000	2012 €'000
Exceptional (charge)/credit from investment in IPOS network	(2,337)	265
Other exceptional charges (net)	(15,604)	(3,215)
Exceptional charge	(17,941)	(2,950)

4 Exceptional charge - continued

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

	2013 €'000	2012 €'000
Provision for impairment of goodwill associated with pharmacy investment (note 11)	(1,168)	-
Reduction in the provision for potential exposure on bank loan guarantees issued by the Group in favour of entities which are part of the IPOS network	-	324
Profit on disposal of non-consolidated pharmacy investments (note 13)	77	151
Increase in impairment provisions against investment carrying values (note 13)	(30)	-
Reduction in provisions against trading balances with pharmacies which are part of the IPOS network	304	-
Reduction in the provision against loans advanced to IPOS funds (note 13)	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)	(1,368)	-
Settlement of legacy IPOS property investment matters	-	(100)
Impairment provision for loans advanced to legacy IPOS property investment companies (note 13)	-	(110)
Other costs associated with IPOS restructuring	(620)	-
	(2,337)	265

Other exceptional charge is comprised of:
Other exceptional charges totalling €15,604,000 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 €2,833,000, redundancy costs €9,050,000, professional fees associated with restructuring of €1,928,000 and other costs of €1,793,000 associated with the ongoing review of the Group's structure.

5 Operating (loss)/profit

	2013 €'000	2012 €'000
Operating (loss)/profit is stated after charging:		
Directors' remuneration		
- emoluments	1,627	736
- pension contributions	38	112
- fees	184	185
Auditors' remuneration		
- Audit of Group accounts	245	175
- Tax advisory services	40	76
- Other non-audit services	23	11
Depreciation (note 12)	6,833	5,451
Loss on disposal of tangible assets	38	24
Goodwill amortisation (note 11)	3,242	1,578
Operating lease rentals		
- Plant and machinery	82	59
- Other assets	133	128

5 Operating (loss)/profit – continued

	2013 €'000	2012 €'000
Staff costs (including directors)		
- Wages and salaries	19,015	15,406
- Social welfare costs	2,053	1,399
- Pension costs (note 22)	378	197
	21,446	17,002

Employees

	2013 Number	2012 Number
The average number of persons employed by the Group (including directors) during the year was as follows:		
Administration	171	126
Selling, distribution and warehouse	389	260
	560	386

The increase in staff costs and employee numbers is due to the acquisition of Cahill May Roberts Limited together with the net addition of two consolidated pharmacies.

6 Net interest payable

	2013 €'000	2012 €'000
Interest payable on borrowings repayable within five years	7,578	5,419
Net interest (income)/expense from pension scheme assets/(liabilities) (note 22)	(29)	14
Interest receivable	(2)	(6)
	7,547	5,427

7 Disposal of subsidiary undertakings

Loss on disposal of subsidiaries

During 2013, the Group made a partial disposal of its shareholding in IPOS Holding 114 Limited, reducing its equity interest from 44% to 33%. This company remains a subsidiary at year-end. In addition the Group fully disposed of its shareholding in two consolidated pharmacies, namely IPOS Holding 11 Limited and IPOS Holding 53 Limited. The disposals were in line with the relevant IPOS shareholding agreements whereby share redemptions were exercised. The loss on disposal resulting from these transactions was €225,000. This amount included goodwill ascribed to these pharmacies of €972,000 (note 11). Net assets on disposal were €333,000, less minority interest of €343,000 (note 34). Total proceeds amounted to €737,000.

Group turnover (note 2) includes turnover of €180,000 and Group operating profit (note 5) includes operating profit of €26,000 related to the discontinued activities of the retail pharmacies fully disposed in 2013.

8 Taxation credit on loss on ordinary activities

	2013 €'000	2012 €'000
Based on the loss for the year:		
Corporation tax - Republic of Ireland	542	417
Corporation tax - United Kingdom	-	82
Under/(over) provision for corporation tax in previous years	103	(274)
Current tax charge for the year	645	225
Deferred tax credit (note 16)	(2,461)	(972)
Deferred tax (credit)/charge on pension (note 22)	(30)	95
Taxation credit	(1,846)	(652)

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:

	2013 €'000	2012 €'000
Loss on ordinary activities before tax	(19,676)	(4,662)
Loss on ordinary activities multiplied by standard rate of corporation tax in the Republic of Ireland of 12.5%	(2,460)	(583)
Effects of:		
Excess of depreciation over capital allowances	1,158	211
Disallowable expenses	2,629	1,719
Goodwill amortisation and impairment provision	551	197
Income liable to tax at 25%	24	211
Income taxed at UK rates	-	40
Income not taxable	(71)	(555)
Losses utilised	(1,289)	(741)
Under/(over) provision for corporation tax in previous years	103	(274)
Current tax charge for the year	645	225

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 €7,636,000 (2012: €3,317,000 profit).

10 Dividends

Dividends paid during the year of €100,000 (2012: €181,000) relate to payments by subsidiary undertakings, IPOS Holding 12 Limited and IPOS Holding 114 Limited, to minority interest shareholders.

11 Intangible assets

	Goodwill €'000
Cost	
At 31 December 2012	29,172
Adjustment to provisional fair values (note 30)	(14)
Acquisitions (note 30)	18,232
Disposals (note 7)	(1,091)
At 31 December 2013	46,299
Amortisation	
At 31 December 2012	7,340
Charge for the year	3,242
Provision for impairment	1,168
Disposals (note 7)	(119)
At 31 December 2013	11,631
Net book amounts	
At 31 December 2013	34,668
At 31 December 2012	21,832

Acquisitions of €18,232,000 relate to goodwill of €11,749,000 arising on the acquisition of Cahill May Roberts Limited and €6,483,000 acquired on the consolidation of four pharmacies by the Group (note 30).

The disposals reflect goodwill with a net book value of €972,000 associated with the full disposal of the Group's interest in two pharmacies together with a partial disposal in another pharmacy (note 7).

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.

The Group commissioned an external review of the carrying value of goodwill associated with retail pharmacy as at 31 December 2013. Based upon the findings of the external review, the Group recognised an impairment charge to goodwill of €1,168,000.

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 2012	48,623	428	9,621	8,454	18,566	47	85,739
Additions	38	7	2,525	130	2,706	-	5,406
Acquisitions (note 30)	4,518	165	238	-	86	190	5,197
Disposals	-	(60)	-	(4)	-	-	(64)
Disposal of subsidiaries	-	(58)	-	(79)	(10)	-	(147)
At 31 December 2013	53,179	482	12,384	8,501	21,348	237	96,131
Accumulated depreciation							
At 31 December 2012	3,334	131	4,095	2,951	8,133	38	18,682
Charge for the year	842	28	1,092	876	3,943	52	6,833
Disposals	-	(22)	-	(2)	-	-	(24)
Disposal of subsidiaries	-	(12)	-	(17)	(6)	-	(35)
At 31 December 2013	4,176	125	5,187	3,808	12,070	90	25,456
Net book amounts							
At 31 December 2013	49,003	357	7,197	4,693	9,278	147	70,675
At 31 December 2012	45,289	297	5,526	5,503	10,433	9	67,057

12 Tangible assets - continued

	Freehold and and buildings €'000
COMPANY	
Cost	
At 31 December 2012	16,214
Transferred from subsidiary undertaking	3,708
At 31 December 2013	19,922
Accumulated depreciation	
At 31 December 2012 and at 31 December 2013	-
Net book amounts	
At 31 December 2013	19,922
At 31 December 2012	16,214

On 31 December 2013, the freehold property of a subsidiary undertaking, Allphar Services Limited, was transferred to the Company at net book value.

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 2012	32,758	33,667	49	29,256	95,730
Written off	(13,302)	(409)	-	-	(13,711)
Additions	693	50	-	2,132	2,875
Disposals	(571)	(110)	-	-	(681)
Reclassification on consolidation	(1,820)	-	-	-	(1,820)
Reclassification of equity to loans	(835)	-	-	112	(723)
At 31 December 2013	16,923	33,198	49	31,500	81,670
Provision for impairment					
At 31 December 2012	30,170	27,753	-	11,224	69,147
Written off	(13,306)	(409)	-	-	(13,715)
Disposals	(125)	(110)	-	-	(235)
(Reversal of)/provision for diminution in value	-	(468)	30	1,368	930
Reclassification of equity to loans	(723)	-	-	-	(723)
At 31 December 2013	16,016	26,766	30	12,592	55,404
Net book value					
At 31 December 2013	907	6,432	19	18,908	26,266
At 31 December 2012	2,588	5,914	49	18,032	26,583

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 2012	46,862	35,900	33,258	49	29,256	145,325
Written back/(off)	182	(13,302)	-	-	-	(13,120)
Additions	48,288	693	50	-	2,132	51,163
Disposals	-	(571)	(110)	-	-	(681)
Disposal of subsidiaries	(611)	-	-	-	-	(611)
Reclassification on consolidation	1,820	(1,820)	-	-	-	-
Reclassification of equity to loans	-	(835)	-	-	112	(723)
Other reclassification	3,190	(3,190)	-	-	-	-
At 31 December 2013	99,731	16,875	33,198	49	31,500	181,353
Provision for impairment						
At 31 December 2012	14,024	30,170	27,344	-	11,224	82,762
Written back/(off)	182	(13,306)	-	-	-	(13,124)
Disposals	-	(125)	(110)	-	-	(235)
(Reversal of)/provision for diminution in value	-	-	(468)	30	1,368	930
Reclassification of equity to loans	-	(723)	-	-	-	(723)
At 31 December 2013	14,206	16,016	26,766	30	12,592	69,610
Net book value						
At 31 December 2013	85,525	859	6,432	19	18,908	111,743
At 31 December 2012	32,838	5,730	5,914	49	18,032	62,563

13 Financial assets - continued

The main movements in financial assets in 2013 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 includes other investments.

The net book value at year-end of shares in unlisted companies was €907,000 (2012: €2,588,000).

The main movements in shares in unlisted companies in 2013 were:

- Written off:
  Amounts written off represent adjustments for the disposal of investments that were fully impaired.

- Additions:
  Total additions to financial assets in 2013 were €693,000 representing incremental investments in eight pharmacies where Uniphar have existing interests.

  From May 2011, as part of the IPOS restructuring programme, Uniphar plc participated in a framework agreement for the acquisition of the IPOS funds (IPOS Investment plc, IPOS Investment Two plc, IPOS Investment 3 plc and IPOS Investment 4 Limited) equity holdings in 124 pharmacies from the liquidator of the IPOS funds. The Group completed the acquisition of the liquidator's equity in 79 pharmacies in 2011 and in a further 37 pharmacies during 2012. In 2013, the final eight pharmacies were purchased at a cost of €693,000. As at 31 December 2013, included within 'Creditors - amounts falling due within one year' was €8,973,000 (note 17) of deferred consideration due to the liquidator. During 2013, €1,344,000 of purchase consideration was paid to the liquidator, represented by payments of €651,000 for pharmacies held as financial assets and €693,000 for pharmacies that were subsequently consolidated in 2013.

- Disposals:
  The Group completed the acquisition of and subsequently sold its enlarged equity interests in three pharmacies which generated €523,000 of proceeds in 2013. The total cost of investment of the pharmacies disposed of was €571,000 with an impairment provision of €125,000. These pharmacies have not been consolidated as they were held temporarily exclusively for resale. The profit on disposal amounted to €77,000 (note 4).

- Reclassification on consolidation:
  This amount of €1,820,000 relates to certain pharmacies where Uniphar's interest increased in 2013 giving it control of the pharmacies. This includes the additional interest of €693,000 included in additions in 2013. Accordingly the investment ceased to be a financial asset and the pharmacies were instead consolidated into the Group's financial statements. This is accounted for as an acquisition (note 30).

- Reclassification of equity to loans:
  During 2013 the Group disposed its equity interest in four pharmacies to Riverchem Limited, a retail holding company. The transfer of equity was at net book value of €112,000 (being cost €835,000 and impairment of €723,000) with the proceeds receivable been accounted for as a loan. This is included in 'Loans to retail holding and management companies'.

The closing net book value in the Group of €907,000 (2012: €2,588,000) is comprised of investments in pharmacies of €559,000 (2012: €2,240,000), an investment in Point of Care Health Care Services Limited of €300,000 (2012: €300,000) and other investments of €48,000 (2012: €48,000).

13 Financial assets - continued

GROUP AND COMPANY - continued

Shares in unlisted companies

The closing net book value in the Company of €859,000 is comprised of investments in pharmacies of €559,000 (2012: €2,240,000) and an investment in Point of Care Health Care Services Limited of €300,000 (2012: €300,000).

Loans to IPOS entities and other loans

During 2013 the Group advanced a loan of €50,000 to Point of Care Health Services Limited. This is in addition to its existing equity investment of €300,000 in 'Shares in unlisted companies'.

As part of the executed settlement agreement with IPOS Property Investment plc in January 2013, the Group wrote off a loan to the value of €110,000. The loan was already fully provided for in 2012.

In preparing the 2013 financial statements, part of the impairment provision against loans of the IPOS investment funds amounting to €468,000 has been reversed, having regard to communications by the liquidator with regard to the liquidation process.

The closing net book value is comprised of amounts recoverable from the IPOS funds of €6,382,000 (€2012: €5,914,000) and loans to Point of Care Health Services Limited of €50,000 (2012: €Nil).

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 in 2011 and 2012 to amalgamate and restructure the portfolio of pharmacies and were aligned to their funding banks. 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 2013 the Group fully impaired its equity interest of €30,000 in two of these three holding companies, namely Riverchem Limited and Inischem Limited. The closing net book value is €19,000 (2012: €49,000).

Loans to retail holding and management companies

During 2013 the retail holding company, Riverchem Limited, acquired the liquidator's shares in a further four pharmacies for €132,000. Uniphar plc transferred its shareholding in these four pharmacies to Riverchem Limited for their net book value of €112,000 (being €835,000 of cost with an impairment provision of €723,000 in 'Shares in unlisted companies'). These transactions were funded by way of loans from the Group to Riverchem Limited. In addition the Group provided further loans of €2,000,000 to the retail holding companies during 2013, being €1,000,000 to Inischem Limited and €1,000,000 to Riverchem Limited. These matters are shown on page 37 and 38 as additions of €2,132,000 and a reclassification of €112,000.

The value of the loans advanced to the retail holding companies at year end is €31,480,000. Cumulatively these loans are represented by loan transfers of €24,000,000 and loans to acquire the disposed pharmacy interests of both Uniphar and the liquidator amounting to €7,480,000. In addition, there are two further loans to other pharmacies amounting to €20,000.

The recoverability of these loans has been assessed based on each company's ability to repay their loans in accordance with the agreed terms together with the ranking of Uniphar's security. An additional impairment provision of €1,368,000 has been recognised in 2013. As at 31 December 2013, the Group has recognised a cumulative impairment provision of €12,592,000. 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.

At year-end, the carrying value of amounts due from the retail holding and management companies amounted to €18,908,000 (2012: €18,032,000).

13 Financial assets - continued

COMPANY

Shares in subsidiary companies

Financial assets of the parent company, Uniphar plc, include shares in subsidiary companies with a net book value of €85,525,000 (2012: €32,838,000). The main movements in 2013 were:

- Additions:
  In May 2013, Uniphar plc acquired the entire share capital of Cahill May Roberts Limited. The consideration associated with this transaction amounted to €48,288,000 (note 30).

- Disposals:
  During 2013, Uniphar plc fully disposed of its investments in subsidiary undertakings, IPOS Holding 11 Limited and IPOS Holding 53 Limited. The Company partially disposed of its investment in another subsidiary, IPOS Holding 114 Limited, reducing its holding from 44% to 33%. The cost of investment associated with these transactions amounted to €611,000 and the proceeds on disposal amounted to €737,000. These three pharmacies were controlled by the Group until their full and partial disposals and accordingly they have been accounted for as disposal of subsidiaries in the Group accounts (note 7).

- Reclassification on consolidation
  This relates to the reclassification of pharmacy investments in which Uniphar has obtained a controlling interest through the exercise of voting rights. Consequently the balance of €5,010,000 has been transferred from 'Shares in unlisted companies' to 'Shares in subsidiary companies' in the Company accounts.

14 Stocks

	2013 €'000	2012 €'000
GROUP		
Goods for resale	50,503	26,250

The increase in the stock balance in the year primarily relates to the acquisition of Cahill May Roberts Limited (see note 30).
The replacement cost of stocks did not differ materially from the balance sheet amounts at 31 December 2013 and 31 December 2012.

15 Debtors

	2013 €'000	2012 €'000
Debtors - amounts falling due within one year		
GROUP		
Trade debtors	121,019	58,534
Prepayments and accrued income	6,632	7,593
Other debtors	2,437	68
Deferred tax asset (note 16)	3,777	618
Deferred consideration receivable (see below)	447	447
	134,312	67,260

The increase in the trade debtors balance in the Group in the year primarily relates to the acquisition of Cahill May Roberts Limited (see note 30).

	2013 €'000	2012 €'000
COMPANY		
Trade debtors	11,881	-
Amounts due from subsidiaries	90,921	66,360
Prepayments and accrued income	2,188	2,504
Value added tax	632	71
Deferred tax asset (note 16)	625	625
Deferred consideration receivable (see below)	447	447
	106,694	70,007

The increase in balances for trade debtors and amounts due from subsidiaries in the year in the Company primarily relates to the acquisition of Cahill May Roberts Limited (see note 30).

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

Debtors - amounts falling due after more than one year

	2013 €'000	2012 €'000
GROUP		
Other debtors	2,224	1,208

16 Deferred tax asset

	€'000
GROUP	
At 31 December 2012	618
Acquisitions of subsidiaries (note 30)	698
Credited to profit and loss account (note 8)	2,461
At 31 December 2013	3,777

16 Deferred tax asset - continued

	2013 €'000	2012 €'000
Deferred tax asset is comprised of:		
Tax written down value in excess of/(in deficit of) of assets' net book value	1,040	(71)
Losses and other timing differences	2,737	689
	3,777	618

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 €1,985,000 (2012: €764,000) 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 2012 and 31 December 2013	625

The deferred tax asset relates to the recognition of tax losses.

17 Creditors

	2013 €'000	2012 €'000
Creditors - amounts falling due within one year		
GROUP		
Trade creditors	139,139	84,981
Accruals and other creditors	22,572	7,705
Corporation tax	493	431
PAYE/PRSI	1,316	763
Value added tax	2,714	155
Bank overdrafts (note 26)	18,134	19,561
Bank loans (note 17 and 26)	52,128	40,863
Deferred acquisition consideration (note 30)	3,969	-
Deferred consolidation financial asset (note 13)	8,973	9,666
Liabilities arising under bank guarantees (note 29)	688	918
	250,126	165,043

The increase in the trade creditors and accruals balances in the Group in the year primarily relates to the acquisition of Cahill May Roberts Limited (see note 30).

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 much of the creditors were effectively secured by reservation of title.

17 Creditors - continued

	2013 €'000	2012 €'000
Creditors - amounts falling due within one year		
COMPANY		
Amounts owed to subsidiaries	143,010	65,368
Trade creditors	3,149	368
Accruals and other creditors	3,916	3,531
PAYE/PRSI	707	323
Bank overdrafts	8,291	7,857
Bank loans	2,000	10,183
Deferred consideration financial asset (note 13)	8,973	9,666
Deferred acquisition consideration (note 30)	3,969	-
Liabilities arising under bank guarantees (note 29)	688	918
	174,703	98,215

Amounts owed to subsidiaries are unsecured, non-interest bearing and repayable on demand. The increase in the amounts owed to subsidiaries in the Company in the year primarily relates to the acquisition of Cahill May Roberts Limited (see note 30).

	2013 €'000	2012 €'000
Creditors - amounts falling due after more than one year		
GROUP		
Bank loans (note 26)	39,115	54,124
Liabilities arising under bank guarantees (note 29)	-	688
Deferred acquisition consideration (note 30)	13,750	-
	52,865	54,812
The Group's bank loans are repayable in the following periods after 31 December:		
- Amounts falling due within one year	52,128	40,863
- Amounts falling due between one and five years	39,115	54,124
	91,243	94,987
COMPANY		
Bank loans	25,350	42,527
Liabilities arising under bank guarantees (note 29)	-	688
Deferred acquisition consideration (note 30)	13,750	-
	39,100	43,215
The Company's bank loans are repayable in the following periods after 31 December:		
- Amounts falling due within one year	2,000	10,183
- Amounts falling due between one and five years	25,350	42,527
	27,350	52,710

17 Creditors - continued

Bank security

Bank overdrafts (including invoice discounting) and bank loans of €109,377,000 (2012: €114,548,000) 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, are secured by way of assignment of book debts to the bank. At the balance sheet date €47,171,000 (2012: €25,547,000) of these 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:

	2013 €'000	2012 €'000
- Within one year	3,969	-
- Between one and two years	9,500	-
- Between two and five years	4,250	-
	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 2012	-
Acquisitions (note 30)	7,474
At 31 December 2013	7,474

The dilapidation and other obligations provision relates to estimated liabilities in respect of leasehold properties of €3,223,000 (2012: €Nil) and other obligations of €4,251,000 (2012: €Nil). A transfer of economic benefits is expected within the next three years.

19 Called up share capital

	2013 €'000	2012 €'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 - 26,242,202 ordinary shares of 8c each	2,100	2,100
Issued during the year 83,333,446 ordinary shares of 8c each	6,667	-
At 31 December - 109,575,648 ordinary shares of 8c each (2012: 26,242,202)	8,767	2,100
Allotted, called up and partly paid:		
At 1 January		
Issued during the year 4,471,676 ordinary shares of 8c each (2c partly paid)	89	-
At 31 December - 4,471,676 ordinary shares of 8c each (2c partly paid)	89	-
Total allotted share capital:		
At 31 December 2013 - 114,047,324 ordinary shares (2012: 26,242,202 ordinary shares)	8,856	2,100

During the year, the Company made the following allotments of share capital:

- In May 2013, the Company allotted 4,471,676 ordinary shares of €0.08 each for an issue price of €0.08 per ordinary share. The consideration received for the allotment amounted to €89,000 and is partly paid at €0.02 per share pending further calls by the Company. These shares were allotted to members of the Uniphar Executive management team under the Group long term incentive plan (note 23).

- In October 2013, the Company allotted 83,333,446 ordinary shares of €0.08 each for an issue price of €0.30 per ordinary share. The consideration received for the allotment amounted to €25,000,000, of which €6,667,000 is included in share capital and €18,333,000 is included in share premium (note 20). These proceeds were used to repay bank debt.

20 Reserves

	Capital redemption reserve €'000	Currency translation reserve €'000	Share premium €'000	Total €'000
GROUP				
At 31 December 2012	60	(200)	2,342	2,202
Issue of share capital (note 19)	-	-	18,333	18,333
Currency translation adjustment	-	29	-	29
At 31 December 2013	60	(171)	20,675	20,564

20 Reserves - continued

	Capital redemption reserve €'000	Share premium €'000	Total €'000
COMPANY			
At 31 December 2012	60	2,342	2,402
Issue of share capital (note 19)	-	18,333	18,333
At 31 December 2013	60	20,675	20,735

21 Profit and loss account

	€'000
GROUP	
At 31 December 2012	(1,173)
Loss absorbed for the year	(17,854)
Dividends paid to minority interests (note 10)	(100)
Other recognised gains and (losses) relating to the year	1,418
At 31 December 2013	(17,709)
COMPANY	
At 31 December 2012	3,149
Loss absorbed for the year (note 9)	(7,636)
At 31 December 2013	(4,487)

22 Retirement benefits

The pension entitlements of employees, including executive directors, arise under three defined benefit schemes and a defined contribution scheme 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 €378,000 (2012: €197,000) comprising a current service cost of €117,000 (2012: €Nil), a past service gain of €97,000 (2012: gain €94,000) and defined contribution scheme costs of €358,000 (2012: €291,000). The net finance income resulting from the scheme deficits is €29,000 (2012: expense €14,000). The charge in the financial statements for exceptional items includes a curtailment loss of €292,000 and a past service cost of €555,000.

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.

22 Retirement benefits - continued

An updated actuarial valuation for the purposes of Financial Reporting Standard 17 'Retirement Benefits' (FRS 17) was carried out as at 31 December 2013 by a qualified independent actuary in respect of Group pension schemes.

Financial instruments held by the defined benefit schemes

At 31 December 2013 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	
	2013	2012	2013	2012
	€'000	€'000	%	%
Equities	12,604	8,960	6.6	7.3
Bonds	18,517	6,536	3.2	3.3
Property	1,910	300	5.6	6.3
Cash	551	209	1.0	1.0
	33,582	16,005		
Average			4.6	5.6

The expected return on equities has decreased from 7.3% at 31 December 2012 to 6.6% at 31 December 2013 due to expected future global market performance. The expected rate of return on bonds has decreased from 3.3% in 2012 to 3.2% in 2013 due to a reduction in the yields available on long term government bonds.

	2013	2012
	%	%
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	3.70%	3.75%
Inflation rate	2.00%	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 22.4 (2012: 21.4) years for males and 23.9 (2012: 23.1) years for females.

The following amounts at the balance sheet dates were measured in accordance with the requirements of FRS 17:

	2013	2012
	€'000	€'000
Present value of scheme liabilities	(39,457)	(20,994)
Fair value of scheme assets	33,582	16,005
Pension liability	(5,875)	(4,989)
Related deferred tax	734	623
Net pension liability	(5,141)	(4,366)

22 Retirement benefits - continued

Principal actuarial assumptions at the balance sheet date - continued

The amounts recognised in the profit and loss account for the year ended 31 December 2013 are as follows:

	2013 €'000	2012 €'000
(Charged)/credited to operating (loss)/profit		
Current service cost	(117)	-
Past service gain	97	94
	(20)	94
Credited to exceptional item		
Curtailment loss	(292)	-
Past service cost	(555)	-
	(847)	-
Credited/(charged) to other finance income/(expense)		
Expected return on pension scheme assets	1,242	817
Interest on pension scheme liabilities	(1,213)	(831)
Net other finance income/(expense)	29	(14)

The actual return on scheme assets is a gain of €1,270,000 (2012: €1,435,000 gain).

The amounts recognised in the statement of total recognised gains and losses for the year ended 31 December 2013 are as follows:

	2013 €'000	2012 €'000
Analysis of amount recognised in statement of total recognised gains and losses		
Actual return less expected return on pension scheme assets	28	618
Experience gains/(losses) arising on the scheme liabilities	1,925	(73)
Changes in assumptions underlying the present value of the scheme liabilities	(333)	(4,149)
Actuarial gain/(loss)	1,620	(3,604)

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 2013 is €4,179,000 (2012: €5,799,000).

Expected contributions for the year ended 31 December 2014 are €1,510,000.

22 Retirement benefits - continued

	Pension assets €'000	Pension liabilities €'000	Pension deficit €'000
Movements in scheme assets and liabilities			
At 1 January 2012	15,039	(17,185)	(2,146)
Past service gain	-	94	94
Contributions	681	-	681
Interest on scheme liabilities	-	(831)	(831)
Expected return on scheme assets	817	-	817
Actuarial loss	618	(4,222)	(3,604)
Benefits (paid)/settled	(1,150)	1,150	-
At 31 December 2012	16,005	(20,994)	(4,989)
At 1 January 2013	16,005	(20,994)	(4,989)
Current service cost	-	(117)	(117)
Acquisitions (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)

	2013 €'000	2012 €'000
Movement in related deferred tax during the year		
At 1 January	623	268
Acquisitions (note 30)	283	-
Credited/(charged) to the profit and loss account (note 8)	30	(95)
Recognised in the statement of total recognised gains and losses	(202)	450
At 31 December	734	623
Pension liability (net of related deferred tax)	(5,141)	(4,366)

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

22 Retirement benefits - continued

	2013 €'000	2012 €'000	2011 €'000	2010 €'000	2009 €'000
Amounts for the current and previous four years:					
Present value of scheme liabilities	(39,457)	(20,994)	(17,185)	(17,048)	(15,698)
Fair value of scheme assets	33,582	16,005	15,039	15,168	14,489
Pension deficit (net of related deferred tax)	(5,875)	(4,989)	(2,146)	(1,880)	(1,209)
Experience gains/(losses) on scheme liabilities:					
Amount (€'000)	1,925	(73)	157	(198)	739
Percentage of the present value of the scheme liabilities	4.87%	(0.35%)	0.9%	(1.2%)	4.7%
Difference between the actual and expected return on scheme assets:					
Amount (€'000)	28	618	(1,310)	299	1,363
Percentage of scheme assets	0.08%	3.9%	(8.7%)	2.0%	9.4%

Defined contribution scheme

Included in accruals and other creditors is an amount of €43,000 (2012: €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:

	2013		2012	
	Average exercise price in € per share	Options	Average exercise price in € per share	Options
At 1 January	1.13	8,000	1.13	28,000
Forfeited	1.13	-	1.13	(20,000)
At 31 December	1.13	8,000	1.13	8,000
Total exercisable at 31 December	1.13	8,000	1.13	8,000

23 Employee share options - continued

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

		2013		2012	
Date of grant	Date of expiry	Exercise price in € per share	Options	Exercise price in € per share	Options
1 November 2004	1 November 2014	1.13	8,000	1.13	8,000

No share based payment reserve exists at 2013 and 2012 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 under which conditional shares may be 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 May 2013, the Company allotted shares to members of the Uniphar Executive management team under the long term incentive plan. As set out in note 19, this comprised of 4,471,676 ordinary shares of €0.08 each for an issue price of €0.08 per ordinary share. The consideration received for the allotment amounted to €89,000 and is partly paid at €0.02 per share pending further calls by the Company. No charge to the profit and loss account in 2013 arises 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

	2013 €'000	2012 €'000
Operating profit before operating exceptional items	6,037	8,332
Cash related exceptional items	(13,082)	(3,088)
	(7,045)	5,244
Depreciation	6,833	5,451
Goodwill amortisation	3,242	1,578
Loss on disposal of tangible assets	38	24
Decrease in stock	10,084	3,769
Increase in debtors	(724)	(3,501)
Increase in creditors	1,845	579
Foreign currency translation adjustments	-	(110)
Net cash inflow from operating activities	14,273	13,034

25 Reconciliation of net cash flow to movement in net debt

	2013 €'000	2012 €'000
Decrease in cash and overdrafts in the year	(7,383)	(5,452)
Cash flow from movement in borrowings	9,074	9,279
Decrease in net debt resulting from cash flows	1,691	3,827
Debt acquired during the year (note 30)	(5,330)	(13,116)
Movement in net debt in the year	(3,639)	(9,289)
Net debt at beginning of year	(97,065)	(87,776)
Net debt at end of year	(100,704)	(97,065)

26 Analysis of changes in net debt

	1 January 2013 €'000	Cash flow €'000	Acquisitions (excluding cash and overdrafts) (note 30) €'000	31 December 2013 €'000
Cash at bank	17,483	(8,810)	-	8,673
Bank overdraft	(19,561)	1,427	-	(18,134)
	(2,078)	(7,383)	-	(9,461)
Bank loans repayable within one year	(40,863)	(5,935)	(5,330)	(52,128)
Bank loans payable after one year	(54,124)	15,009	-	(39,115)
Bank loans	(94,987)	9,074	(5,330)	(91,243)
Net debt	(97,065)	1,691	(5,330)	(100,704)

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 2013 in the share capital of Uniphar plc and subsidiary undertakings at 31 December 2012 (or date of appointment, if later) and 31 December 2013 were:

	31 December 2013		31 December 2012 (or date of appointment, if later)	
	Ordinary shares	Share options	Ordinary shares	Share options
M. Pratt	874,333	-	40,999	-
G. Rabbette	3,448,033	-	-	-
T. Dolphin	2,248,772	-	-	-
J. Holly	1,044,282	-	210,948	-
M. McConn	712,150	-	55,985	-
M. Murphy	1,741,288	-	274,618	-
B. O'Connell	337,828	8,000	4,494	8,000
M. Quinn	1,040,000	-	40,000	-
C. Shannon	1,628,103	-	163,551	-
P. Staunton	1,237,453	-	237,451	-
E. Condon (Secretary)	333,950	-	616	-

The Directors and Secretary did not hold any other shares in Uniphar plc or its subsidiary undertakings at 1 January 2013 (or date of appointment, if later) or 31 December 2013.

Details in respect of the employee share option scheme and the long term incentive plan are set out in note 23.

28 Future capital expenditure not provided for

	2013 €'000	2012 €'000
At 31 December 2013 the Group had capital commitments of €332,000 (2012: Nil)		
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.

Guarantees
The Company and certain subsidiaries have issued guarantees totalling €14,431,000 (2012: €17,823,000) in respect of borrowings undertaken by IPOS scheme entities and customers of Cahill May Roberts Limited. Included in this total is an amount of €688,000 (2012: €1,606,000) recorded as liabilities on the Group and Company balance sheets which at 31 December 2013 falls due within one year (note 17). This gives rise to a contingent liability at year end of €8,320,000 (2012: €11,478,000) for the Group. Arising from the acquisition of Cahill May Roberts Limited, the Group recognised an additional €931,000 of contingent loan guarantee liability at year end.

From a Company perspective, the contingent liability at year end is €13,743,000 (2012: €16,217,000). 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 2013, 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

Cahill May Roberts Limited

On 14 May 2013, the Group acquired the entire share capital of Cahill May Roberts Limited, for €48,288,000. Goodwill arising on this acquisition amounted to €11,749,000. This transaction has been accounted for as an acquisition, with the disclosures required for substantial acquisitions under Financial Reporting Standard 6 “Acquisitions and Mergers”.

The adjustments required to the book values of the assets and liabilities of this acquisition in order to present the net assets at fair values and the resultant goodwill arising are set out below. The resultant goodwill arising of €11,749,000 is being amortised over ten years.

	Book value	Revaluations	Provisional fair value to Group
	€'000	€'000	€'000
Tangible assets	7,464	(2,638)	4,826
Stock	36,740	(2,714)	34,026
Debtors	66,731	(3,093)	63,638
Deferred tax asset	5	693	698
Net cash	7,773	-	7,773
Creditors - amounts falling due within one year	(62,519)	(2,449)	(64,968)
Pension liability net of related deferred tax	-	(1,980)	(1,980)
Provisions for liabilities	-	(7,474)	(7,474)
Total net assets	56,194	(19,655)	36,539
Consideration (including acquisition costs of €5.3m)			48,288
Goodwill arising on acquisition (note 11)			11,749

The consideration (including acquisition costs) contains €30,569,000 paid during 2013 and €3,969,000 which will be settled during 2014 (note 17). Further deferred consideration of €13,750,000 is due for payment by 2016 (note 18).

The book values of assets and liabilities are those per the management accounts at the date of acquisition. The fair values ascribed to the net assets acquired and the purchase consideration are provisional as estimates have been made of the carrying value of certain assets and the amount of certain liabilities. These will be finalised in the 2014 financial statements when the detailed assessment of fair values is completed.

Tangible fixed assets have been reduced in value by €2,638,000 based on the results of a professional valuation carried out on the land and buildings acquired.

Stock revaluation relates to an increase in provision for stock obsolescence of €2,714,000 at the date of acquisition.

Debtors revaluation includes an increase in bad debt provision of €3,093,000. The deferred tax adjustment of €693,000 relates to tax losses carried forward against future taxable profits.

Creditors primarily includes an increase in accruals for business restructuring programmes of €2,449,000 to which the Cahill May Roberts Limited business was committed at the date of acquisition.

The pension scheme deficit (net of related deferred tax) has been valued at €1,980,000 at the date of acquisition by a qualified actuary with an adjustment of €1,980,000 arising.

The increase in provisions over book values of €7,474,000 relates to leave dilapidations provisions of €3,223,000 and other similar obligations of €4,251,000.

30 Acquisitions of subsidiary undertakings - continued

In the financial period before it was acquired, from 1 January 2013 to 14 May 2013, Cahill May Roberts Limited generated sales of €269,000,000 and an operating loss and loss before taxation of €6,000,000. This includes an impairment provision for tangible assets of €3,700,000 and provision for redundancy costs of €50,000.

In its last full financial year before it was acquired, for the year ended 31 December 2012, Cahill May Roberts Limited generated a loss after tax of €2,595,000. This includes an impairment provision for tangible assets of €1,400,000 and provision for redundancy costs of €135,000. The statement of recognised gains and losses showed a loss of €4,287,000.

Consolidation of new pharmacies
Details of the fair value of assets and liabilities relating to the four pharmacy companies consolidated during the year ended 31 December 2013 are set out below. The four acquired pharmacy companies during the year ended 31 December 2013 were IPOS Holding 86 Limited, IPOS Holding 97 Limited, IPOS Holding 158 Limited and IPOS Holding 162 Limited. The resultant amount of goodwill arising of €6,483,000 on company acquisitions is being written off over 10 years.

In respect of the pharmacy acquisitions there were no material fair value adjustments to the book values of the net assets acquired as noted below:

	2013 €'000
Tangible assets	371
Stock	594
Debtors	924
Net debt	(5,330)
Creditors – falling due within one year	(1,222)
Total net liabilities	(4,663)
Consideration	1,820
Goodwill arising on acquisition (note 11)	6,483

The book values of assets and liabilities are those per the management accounts of the four pharmacies 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 2014 financial statements when a detailed assessment of fair values will be completed.

The consideration of €1,820,000 includes €692,000 of additions booked and paid in 2013. The remaining balance of €1,128,000 was acquired and paid in prior years before the Group had control of these companies.

Finalisation of provisional fair values of pharmacies acquired in 2012
In the case of the 10 pharmacies consolidated in 2012, the provisional fair values were finalised in 2013. This resulted in an increase of €14,000 in fair values ascribed to net assets accounted for, with a corresponding reduction in the goodwill arising on acquisition (note 11).

31 Earnings per share

	2013 €'000	2012 €'000
Earnings per share and fully diluted earnings per share have been calculated by reference to the following:		
Loss for the financial year	(17,854)	(4,583)
Weighted average number of shares in issue in the year (000's)	50,056	26,242
Dilutive effect of share options (000's)	8	8
Adjusted weighted average number of shares for fully diluted earnings per share (000's)	50,064	26,250

	2013 Continuing	2013 Acquisitions	2013 Total	2012 Continuing	2012 Discontinued	2012 Total
Earnings (€'000)	(3,025)	(14,829)	(17,854)	(3,986)	(597)	(4,583)
Earnings per ordinary share (in cent):						
- Basic	(6.0)	(29.7)	(35.7)	(15.2)	(2.3)	(17.5)
- Diluted	(6.0)	(29.7)	(35.7)	(15.2)	(2.3)	(17.5)

	2013 €'000	2012 €'000
Adjusted earnings per share has been calculated by reference to the following:		
Loss for the financial year	(17,854)	(4,583)
Exceptional charge/(credit) from investment in IPOS network (note 4)	2,337	(265)
Other exceptional charges (note 4)	15,604	3,215
Loss on disposal of subsidiary undertakings (note 7)	225	4,617
Profit after tax excluding exceptional and other one-off items	312	2,984
Weighted average number of shares in issue in the year (000's)	50,056	26,242
Adjusted earnings per ordinary share (in cent)	0.6	11.4

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 agency company
Cahill May Roberts Limited	Pharmaceutical wholesale distributor and agency company
Ammado Limited	Logistics service company
Life Pharmacy Limited	Contract and marketing support services
IPOS Holding 30 Limited (63.0% shareholding)	Pharmacy
IPOS Holding 58 Limited (35.8% shareholding)	Pharmacy
IPOS Holding 63 Limited (66.0% shareholding)	Pharmacy
IPOS Holding 86 Limited (49.5% shareholding)	Pharmacy
IPOS Holding 91 Limited (51.4% shareholding)	Pharmacy
IPOS Holding 97 Limited (84.8% shareholding)	Pharmacy
IPOS Holding 114 Limited (33.0% 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
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
U.P.C. 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.

As set out in note 30, during 2013 the Group acquired Cahill May Roberts Limited and four pharmacy companies - IPOS Holding 86 Limited, IPOS Holding 97 Limited, IPOS Holding 158 Limited and IPOS Holding 162 Limited.

As set out in note 7, during 2013 the Group made a partial disposal of its shareholding in IPOS Holding 114 Limited, reducing its equity interest from 44% to 33%. This company remains a subsidiary at year-end. In addition the Group fully disposed of its shareholding in two consolidated pharmacies, namely IPOS Holding 11 Limited and IPOS Holding 53 Limited.

34 Minority interests

	€'000
At 31 December 2012	323
Share of post acquisition profits	24
Disposals (note 7)	(343)
At 31 December 2013	4

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

37.0% IPOS Holding 30 Limited
64.2% IPOS Holding 58 Limited
34.0% IPOS Holding 63 Limited
50.5% IPOS Holding 86 Limited
48.6% IPOS Holding 91 Limited
15.2% IPOS Holding 97 Limited
67.0% 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 2013 minority interests of €4,000 have been recognised in the Group balance sheet for one of the above entities, Hicktron Holding Limited, based on the minority's share of net assets. Minority interests have not been recognised in all other entities as they had net liabilities positions at 31 December 2013.

35 Commitments under operating leases

At 31 December 2013 the Group had commitments payable of €228,000 (2012: €197,000) under non-cancellable operating leases. These leases were due to expire in the following periods after 31 December:

	Plant and machinery €'000	Other assets €'000	2013 €'000	2012 €'000
Within one year	15	-	15	9
Between one and five years	73	140	213	177
Greater than five years	-	-	-	11
	88	140	228	197

36 Approval of financial statements

The Directors approved the financial statements on 1 May 2014.

List Of Principals

Allphar Principals

3M Ireland Limited
ABBVIE
Actavis Ireland Limited
Actelion Pharmaceuticals UK Limited
Alcon Eye Care UK Limited
Allergan Pharmaceuticals
Almirall
Amdipharm Limited
Archimedes Pharma
Aryton Saunders/Pharmasol
Aspen Pharma
B Braun Medical Limited
Bausch & Lomb
Bayer Limited
Bio Oil Research Limited
Bio Tipp
Boehringer Ingelheim Ireland Limited
Bracco UK Limited
Carinopharm GmbH
Chemidex Pharmaceuticals Limited
Chiesi Pharma Limited
Chugai Pharma UK Limited
Corpak Medsystems
Corr Healthcare Limited
Creo Pharma
Cruinn Diagnostics
CSL Behring
Daiichi Sankyo
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
G.L. Pharma GmbH
Galderma UK Limited
Galen Pharmaceuticals Limited
Geistlich Sons Limited
Genzyme
Gerard Laboratories
Gluten Free Foods Limited
Green Cross
Grünenthal Pharma Limited
GSK Vaccines
H.R.A. Pharma
Heraeus Medical
Hollister Ireland
Hospira Limited
Intermune UK & I
Intrapharm Laboratories Limited
Ipsen Pharmaceuticals
John Bannon Limited
Kyowa Hakka Kirin Limited/Prostrakan
Lifescan
LogixX Pharma
Lundbeck (Ireland) Limited
Medicon Ireland Limited
Medtronic Irl Limited
Merck Serono Limited
Mercury Pharma
Merial Animal Health
Nestle Nutrition
Nordic Pharma
Novartis Animal Health Ireland Limited
Novartis Consumer Health
Novartis Pharmaceuticals Irl
Novartis Vaccines
Novo Nordisk Limited
Nualtra
Orion Pharma Ireland
Otsuka Pharma
Pamex Limited
Pharma Nord Limited
Pharmacosmos UK
Phoenix Healthcare
Phoenix Labs
Pierre-Fabre
Pierre-Fabre Dermo-Cosmitque
Premier Medical Limited
Promedicare Limited
Punch Industries
Pure-Aid Healthcare Limited
Qualsept (Bath ASU)
Recordati Ireland Limited
Roche Products Ireland Limited
Sanofi Aventis Limited Ireland
Sanofi Pasteur MSD (SPMSD)
Shield Medicare
Shire Pharmaceuticals Limited
Sigma Tau Pharma Limited UK
Slainte Solutions
Smith & Nephew
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
WAD International Limited
Zoetis Animal Health

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