ALLIANCE

Breathing life into medicines

ALLIANCE PHARMA plc Annual Report and Accounts for the year ended 31 December 2014

2014 Annual Report

Contents

Business Summary*

Highlights	01
Our Business Model	02
Growth through Acquisitions	05
Growth through Healthcare Professionals	06
Growth through Consumer Markets	08
Growth through International Expansion	10

Report of the Directors

Strategic Report	12
Board of Directors	16
Senior Team Members	18
Corporate Governance	19
Directors' Remuneration	20
Other Matters	22

Financial Statements

Independent Auditor's Report to the Members of Alliance Pharma plc	24
Consolidated Income Statement	25
Consolidated Statement of Comprehensive Income	26
Consolidated Balance Sheet	27
Company Balance Sheet	28
Consolidated Statement of Changes in Equity	29
Company Statement of Changes in Equity	30
Consolidated and Company Cash Flow Statements	31
Notes to the Financial Statements	32

Supplementary Information*

Shareholder Information	65
Five Year Summary	66
Advisors	67

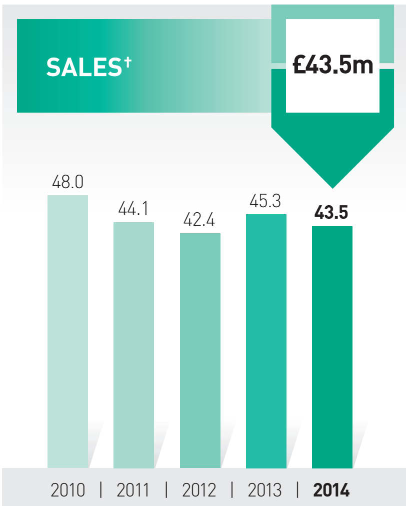
*Unaudited information.

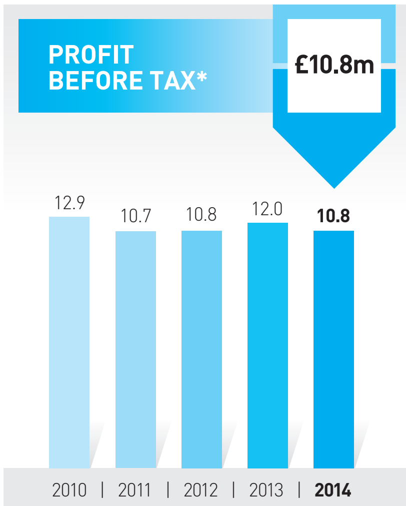
Alliance Pharma plc is an AIM listed speciality pharmaceutical company

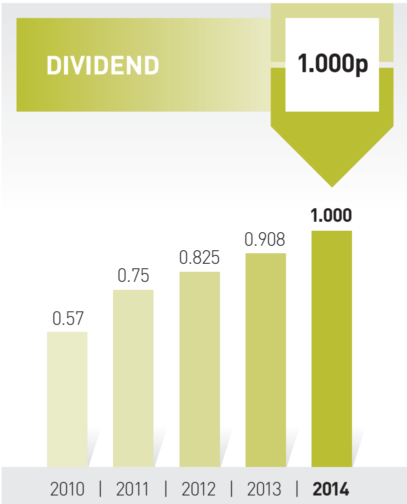
Alliance has a strong track record of acquiring the rights to established niche products and owns or licences the rights to more than 60 pharmaceutical products and continues to explore opportunities to expand the range. The group commenced trading in 1998 and has since grown to an annual turnover of £43m. Alliance has its headquarters in the UK at Chippenham, Wiltshire.

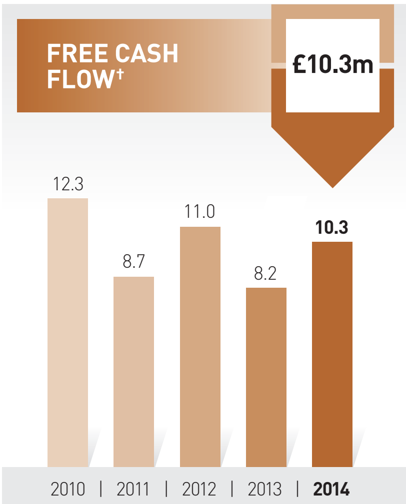
Highlights

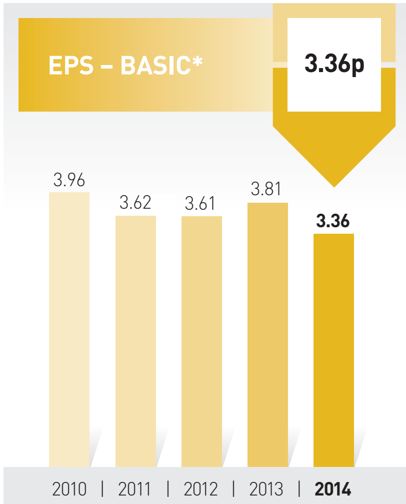
Key NUMBERS











†Restated due to the adoption of IFRS 11.

*Before exceptional item, being impairment of Pavacol-D intangible.

Key FACTS

- Acquisition of Irenat, our first German product, in January 2014 contributing £0.8m to sales in 2014
- Acquisition of fast-growing MacuShield brand in February 2015
- Hydromol continues to demonstrate good growth, achieving year on year sales growth of 15%
- Ashton & Parsons Infants' Powders sales achieve very significant growth to £1.4m (2013: £0.4m) as a result of product redesign and improved supply
- Full year dividend up 10% to 1.000p per share (2013: 0.908p)
- Operating profit 27% of sales
- Low gearing with Debt to EBITDA ratio of 1.6 times

Our Business Model

Strategy

Alliance's principal activity is the marketing of pharmaceutical or healthcare products. Its brands are sourced either via acquisition or inward licensing. They are selected for their sales stability or growth potential. Capital intensive activities such as manufacturing, warehousing and logistics are controlled by Alliance but outsourced to leading specialist organisations in these fields. It does not engage in R&D, except for minor line extensions.

The acquired products are ones whose market position has been established by their originators. Where necessary, Alliance ensures the product's viability by regulatory and technical initiatives so that the established franchise can be relied upon to provide sustainable cash-flow into the foreseeable future.

Acquired products are assessed for their potential to respond to promotional investment.

If promotion would produce an economic return, then it is implemented via Alliance's highly skilled sales and marketing operation.

Corporate growth is further enhanced by licensing in and marketing products that have been developed by other companies' R&D activities.

Acquisitions of products are typically financed by a combination of cash flow, bank debt and equity in a ratio that optimises earnings per share whilst maintaining acceptable levels of gearing. Surplus cash generated after providing for debt servicing and the operational needs of the business is then available for dividend payments.

Balanced Portfolio

The bedrock of our business is established products.

These are good, stable products that continue to meet medical needs and require limited to no promotion in order to sustain their sales.

They provide considerable cash generation to support the growth activities behind the Dermatology, Specialist Secondary Care, Ophthalmology and Consumer Healthcare products and also assist in the financing of acquisitions.

Alastair Tweedale
Head of Established Products

13%

Specialist Secondary Care –
used by hospitals and healthcare professionals.

16%

Dermatology –
a range of products for the treatment of eczema and skin complaints.

17%

Consumer –
a range of products sold over the counter.

19%

International –
products supporting our international expansion.

35%

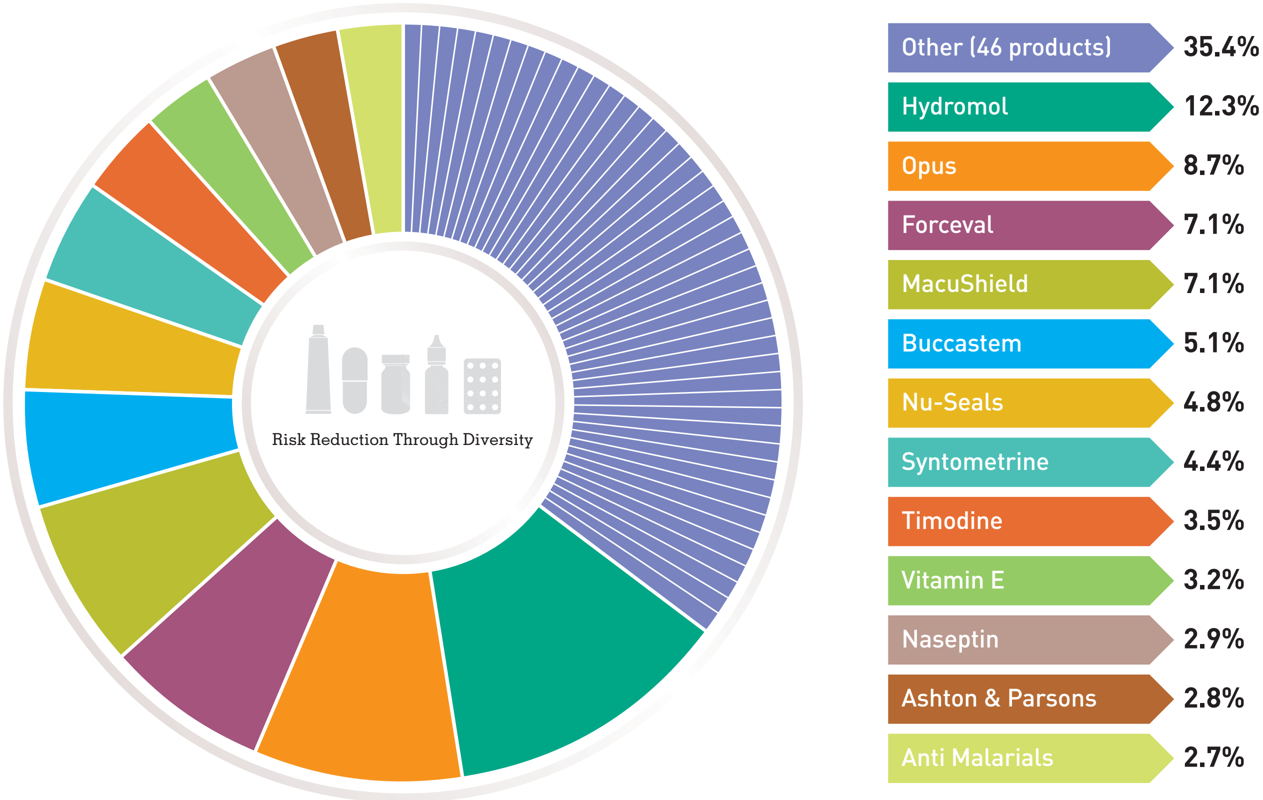
Bedrock –
non-promoted and cash generative.

Percentages on a pro-forma basis for the year ended 31 December 2014 including share of joint ventures and acquisitions.

Risk Reduction through Diversity

Any potential risk is spread across a portfolio of over 60 products, the largest representing just over 10% of Alliance's sales.*

*Proforma 2014 Revenue.



Longevity of Brands

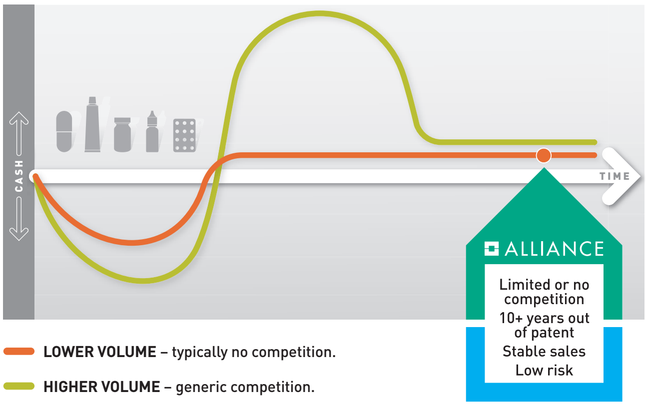
AVERAGE AGE 48 YEARS

Product	Annual Sales*	Launch Date
Hydromol	£6.0m	1987
MacuShield	£3.5m	2006
Forceval	£3.5m	1970
Buccastem	£2.5m	1987
Nu-Seals	£2.5m	1978
Syntometrine	£2.1m	1956
Timodine	£1.7m	1972
Vitamin E	£1.6m	1989
Naseptin	£1.4m	1959
Ashton & Parsons	£1.4m	1867

Growth through Acquisitions

Product life-cycle:

Alliance's bedrock products are usually at least 10 years post patent expiry with a stable sales history and a low volume that limits direct competition.



Business Development Team

Alliance is committed to continued growth via acquisition, in-licensing opportunities and forming mutually beneficial business partnerships.

Left to right:
Anne Melbourne, Dan Thomas, Keturah McElroy and Puja Thapar

The business development team very actively searches for acquisition opportunities and will assess divestments of individual products, portfolios, subsidiaries and whole companies across any therapy area or geography.

Alliance's experience across a wide range of pharmaceutical products and markets allows for rapid assessment of opportunities as they occur.

Throughout the acquisition process, the business development team integrates with finance, legal, operations, regulatory and marketing. This allows for rapid assessment of opportunities as they occur and also facilitates a smooth transition of ownership when the acquisition has completed.

27 – 27 deals in 16 years

60 – Over 60 products

Building global operation

Alliance has a strong track record of successful acquisitions and has considerable expertise in target selection, contract negotiation and integration of the products into its operations. It has considerable financial resources available for future deals.

2015	1 deal	£5.5m
2014	2 deals	£3.7m
2013	2 deals	£9.4m
2012	2 deals	£12.4m
2011	3 deals	£6.5m
2010	1 deal	£16.4m
2009	1 deal	£7.5m
2008	1 deal	£0.6m
2007	1 deal	£1.95m
2006	5 deals	£7.4m
2004	3 deals	£9.7m
2002	2 deals	£11.1m
2001	2 deals	£4.5m
1999	1 deal	£2.1m

TOTAL INVESTMENT SINCE 1999

Growth through Healthcare Professionals

Steve Lobb
Head of Hydromol

David Hope
Head of Secondary Care

Alliance's Dermatology and Secondary Care business units both utilise our UK sales force to promote products within their ranges to Healthcare Professionals. Specific targeting techniques are used to increase awareness of these products which helps drive growth in market share.

Opus Healthcare

The Opus Healthcare business specialises in the development and supply of a stoma care accessory range. SkinSafe protective film and Lift Plus adhesive remover protect peristomal skin whilst AbsorbaGel, DeoGel, LaVera, ClearWay and NaturCare are designed to make wearing a stoma pouch easier. All of the products are available on prescription.

Gelclair

Gelclair is a viscous gel specially formulated to aid in the management of lesions of the oral mucosa. It forms a protective film that, by coating and sticking to the lining of the mouth and throat, offers rapid and effective pain management. Gelclair comes as a concentrated gel in sachets for dilution with water.

ImmuCyst

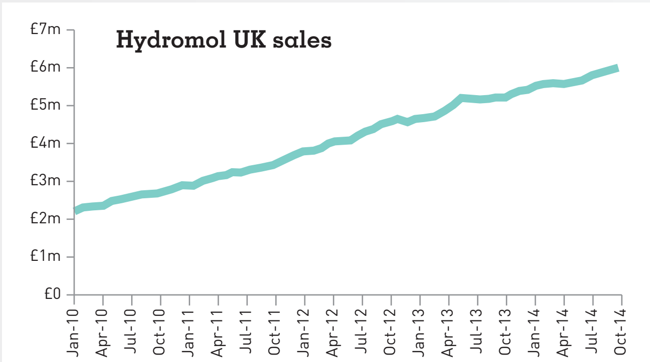
ImmuCyst 81mg is a Bacillus Calmette – Guérin (BCG) therapy which was originally developed as a vaccine, but was later discovered to be effective against non-muscle invasive bladder cancer. It works the way other vaccines work, by stimulating the body's own immune system to fight the cancer. ImmuCyst has been shown to be a more effective treatment than chemotherapy in fighting the growth of these tumours.

Hydromol

The Hydromol complete emollient therapy range is used to control dry skin conditions and improve skin hydration.

Dermatological conditions are among the most common diseases encountered by healthcare professionals. Atopic eczema accounts for 30% of all dermatological consultations in general practice, and the prevalence is increasing. Estimates vary due to the different populations examined, but figures suggest a prevalence of around 15–20% in children and 2–10% in adults.

The Hydromol range comprises an ointment, a bath and shower emollient, a cream and an intensive urea cream. The brand Hydromol achieved 18%* growth in 2014.



*IMS data.

Growth through Consumer Markets

Alex Duggan
Head of Consumer Healthcare

In recent years we have been broadening the scope of our portfolio, primarily to include consumer healthcare products.

These products typically require some modest marketing investment but offer potential for organic growth.

Alex Duggan joined Alliance in 2014 as Head of Consumer Healthcare. Alex brings with him a wealth of experience that is being utilised to aid the growth and development of the consumer brands.

MacuShield

MacuShield, recently acquired in February 2015, is the UK's most recommended eye care supplement by opticians. MacuShield is a unique food supplement containing the three macular pigments lutein, zeaxanthin and meso-zexanthin, and is designed to be taken by sufferers of dry age-related macular degeneration (AMD) and other eye conditions. The product is supported by numerous peer-reviewed published studies.

Lypsyl

The original lip balm since 1891, Lypsyl provides daily moisturising care and protection for your lips. The Vitamin E formula helps stop lips from drying out, with Aloe Vera extracts to soothe and moisturise and SPF15 to protect your lips against harmful UVA and UVB rays. Lypsyl's Cold Sore Gel provides a triple action formula to relieve the symptoms of cold sores.

Anbesol

Anbesol is a well-established treatment used for the temporary relief of pain caused by mouth ulcers, denture irritation and babies' teething. Anbesol contains a local anaesthetic (lidocaine hydrochloride) which works by helping to stop the sensation of pain. It also contains two antiseptics which help protect against infection. Available in a liquid, adult gel and teething gel formulations.

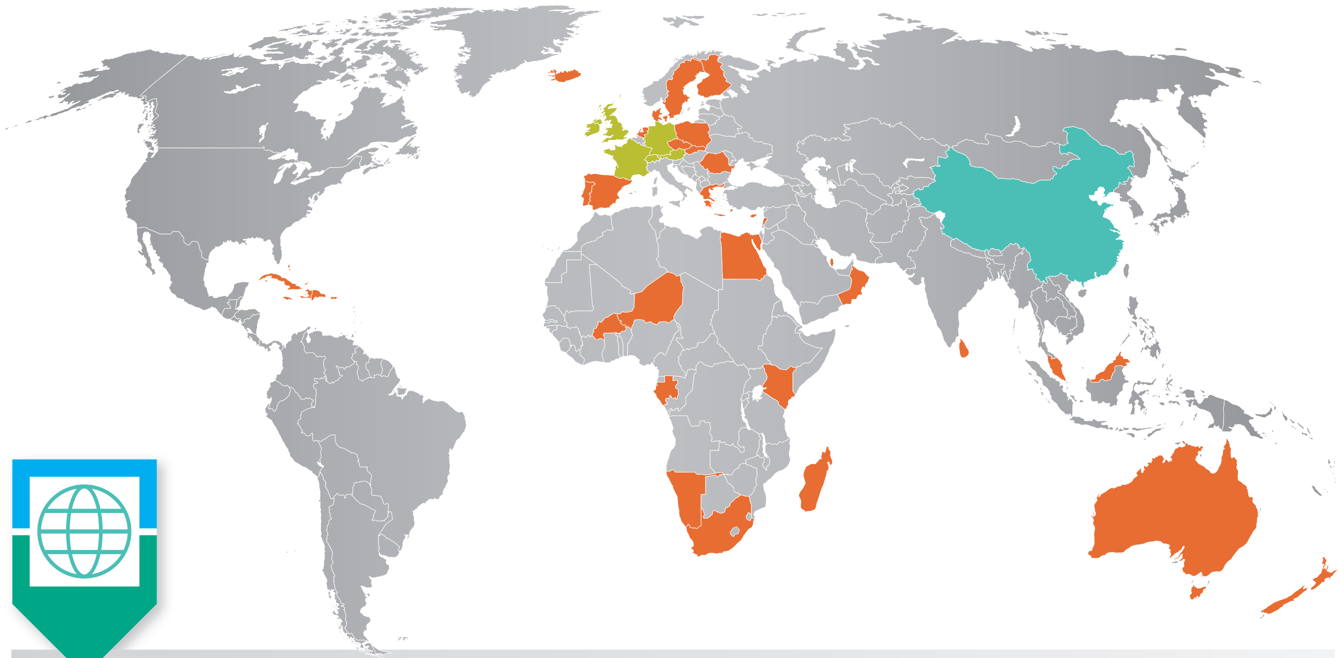
MolluDab

MolluDab is a clinically proven, effective treatment for the viral skin condition molluscum contagiosum. Containing 5% potassium hydroxide, MolluDab clears the molluscum lesions in 1-5 weeks, far quicker than leaving them to clear on their own, which can take 18 months or more. Potassium hydroxide is the only solution indicated for use on molluscum contagiosum, which presents itself as wart type papules on the skin, predominantly affecting children and young adults.

Ashton & Parsons

Ashton & Parsons Infants' Powders are a gentle, natural remedy for the pain and symptoms associated with teething. Originally developed in 1867 by Ashton & Parsons London, The City Homeopathic Pharmacies, these Infants' Powders have been used to soothe the symptoms of teething pain for nearly 150 years. Made from tincture of Matricaria, which is extracted from German Chamomile flowers, Ashton & Parsons is proud to be Britain's No.1 Teething Remedy in Pharmacies and will be making its TV debut in 2015.

Growth through International Expansion



Direct Presence

Joint Venture

Local Partners

Local Partners:

Netherlands
Denmark
Finland
Sweden
Iceland
Spain
Portugal
Czech Republic
Greece
Poland
Romania
Slovakia
Malta
Cyprus
Lebanon
Qatar
Oman
Egypt
Gabon
Niger
Burkina Faso
Madagascar
Kenya
South Africa
Namibia
Swaziland
Mauritius
Sri Lanka
Malaysia
Brunei
Singapore
Hong Kong
Australia
New Zealand
The Caribbean

China

Alliance accelerated the development of its mother and baby franchise in 2014 and is well placed to benefit from the expected growth in this sector.

In 2014, Alliance acquired a 20% stake in Synthasia for £0.5m. Synthasia is a Shanghai based company supplying the Chinese market with Suprememil, an advanced infant milk formula brand that is manufactured for it in Switzerland. During 2014 the Chinese authorities performed a review of the import licences for infant milk; Suprememil's licence was renewed, whilst many were not, providing further opportunities for growth.

Alliance, via its joint venture partner, continues to sell the vitamin / mineral supplement FushiFu (Forceval) for use in early pregnancy.

Tony Booley
International Executive Director

Europe

UK

Although we are undertaking international expansion, 79% of our total business is in the UK, which remains an important growth area. We continue to screen a large volume of acquisition opportunities in a variety of therapeutic areas within the UK market, as well as searching for organic growth potential.

Germany

In January 2014, from Bayer Alliance acquired Irenat, its first product in Germany, moving to a position of profitable trading as part of the strategy of developing international presence.

Irenat is an established endocrinology brand that is mainly used for diagnosing and treating hyperthyroidism.

Following this successful acquisition, Alliance continues to pursue other opportunities.

France

In France we continue to distribute our anti-malarial products and are also seeing a significant number of opportunities for further acquisitions coming through.

Republic of Ireland

The acquisition of MacuShield at the beginning of 2015 will add a substantial contribution to sales in this territory and will help offset the decline in Nu-Seals due to increased generic competition.

Much of the scientific research connected with MacuShield has been undertaken at the world-leading Macular Pigments Research Group within the Waterford Institute of Technology.

Con Walshe
Country Manager of Ireland

Lars Börger
Country Manager of Germany

Philippe Pasdelou
Country Manager of France

Rest of the World

In 2014 Alliance completed the integration of the 2013 acquisition for the worldwide rights to Syntometrine, having already owned the UK rights. This added several important new distributors, via new territories including Australia, South Africa and Malaysia. These may be valuable relationships in the event of further acquisitions.

The acquisition of MacuShield will also add sales in several new territories, further increasing Alliance's international presence.

Rajiv Ghidiyal
Head of APAC, EMEA, Americas

Strategic Report

In 2014 Alliance performed well, taking only a modest dip in sales and profits in a challenging year, which underlines the resilience of our business. We enter 2015 well placed for resumed growth. While sales of our cyclical toxicology product reduced to a minimal level and Nu-Seals continued its moderate decline arising from the Irish government's moves on generic substitution, much of the adverse impact was offset by further solid growth in the rest of the portfolio. This growth will be augmented in 2015 by the acquisition of MacuShield, completed in February 2015, and the expected resumption of ImmuCyst sales in the second half of the year.

2015 WELL PLACED FOR RESUMED GROWTH

Adoption of IFRS 11 Joint Arrangements

The Group was required to adopt International Financial Reporting Standard 11 Joint Arrangements in 2014. Alliance's joint ventures, both of which are in China, are now accounted for using the equity method which only brings the net result into the P&L. Previously they have been accounted for using proportional consolidation which incorporated our share of sales and costs separately. Prior year figures have been restated accordingly and all references herein to prior year numbers are to the restated figures. More details of the impact can be seen in Note 33.

Trading performance

Excluding joint ventures, revenue reduced by 4% to £43.5m (2013: £45.3m). The decline was due to two products: sales of our cyclical toxicology product fell in line with the low part of its 2½-year replacement cycle and the loss of the tender; and Nu-Seals sales reduced to £2.5m under pressure from generic competition. Together, these products accounted for a revenue reduction totalling some £4.3m. This was substantially offset by healthy revenue growth of £2.5m (11%) in the rest of our portfolio.

The underlying growth was led by another double-digit performance from Hydromol, with sales up 15%. We have grown annual sales of this brand from just under £1m when we acquired it in 2006 to over £6m in 2014. Sales of the Opus stoma care products grew by 10% to £4.3m.

With supplies of Ashton & Parsons Infants' Powders now free of production constraints, sales are developing well – more than tripling to £1.4m in 2014. Gelclair, our treatment for oral mucositis, continued to grow well, with sales up 10% to £1.3m and MolluDab, the molluscum contagiosum treatment that we launched in 2013, made further good progress in this niche market.

We were also pleased with the performance in 2014 of our recent acquisitions – Lypsyl in December 2013 and Irenat in Germany in January 2014. With sales of £0.8m, Irenat continues to show the stability that made it an attractive first product for our German business. With Lypsyl we have halted the decline experienced under its previous owners. To increase sales we have begun to capitalise on its still-substantial consumer recognition and are currently researching market perceptions and developing our strategy for investment in order to breathe new life into this well-known brand.

We have been unable to supply ImmuCyst, our bladder cancer treatment, since production was halted at Sanofi's manufacturing plant in Canada in mid-2012. ImmuCyst had peak sales of over £4m per annum before production was suspended. Regulatory validation of the refurbished production facility is taking significantly longer than initially anticipated, and we now expect to resume sales in the second half of 2015. Market feedback indicates continued demand for the product, and we expect to rebuild substantial sales over time as hospitals revert to ImmuCyst. Indeed we are aware that the only licensed competitor is not currently able to supply the full market demand. We will do all we can to bring ImmuCyst back as soon as possible. In the meantime, we are at an advanced stage in the process to consider our claim for profits lost during the extended manufacturing hiatus.

DOUBLE-DIGIT PERFORMANCE FROM HYDROMOL WITH SALES UP15%

Generic competition continues to erode Nu-Seals sales in Ireland. The Irish regulator has still not adjudicated on which low-dose aspirin products should be included on the list of interchangeable medicines that would permit pharmacists to dispense generic products against branded prescriptions. We have submitted a strong case to the regulator for Nu-Seals to be kept off this list but if Nu-Seals is eventually included, sales are likely to fall substantially, which may well lead to a non-cash impairment charge against the £9.1m intangible asset.

The planned hand-back of nine products to Novartis, which we had been distributing since the origin of the company in 1998, was completed in 2014. It had been phased over the past two years, and the impact is low as these products generated only £0.3m of gross margin for us in 2014.

Financial performance

Pre-exceptional pre-tax profit was £10.8m, down 10% from 2013. However, excluding the cyclical toxicology product, underlying profit from the rest of the portfolio showed a healthy increase of 15%. Adjusted earnings per share were 3.36 pence, down from 3.82 pence in 2013.

Gross margin for the full year was 57.5%. This was lower than the 60.4% achieved in 2013, which was flattered by the peak sales of the higher-margin toxicology product, but higher than the 56.9% achieved in 2012. We expect to sustain margins at about the 2014 level going forward.

OUR FINANCING COSTS REDUCED FOR THE SIXTH CONSECUTIVE YEAR

Operating costs were well contained at £13.1m (2013: £13.5m). We made further modest savings on central overheads, but most costs remained broadly stable. Marketing investment remained broadly flat, although we continued to shift the emphasis gently from our dermatology and secondary care products in favour of our growing OTC consumer portfolio.

Production issues have halted the sales of Pavacol-D, our cough-suppressant medicine. We are currently looking at how to bring this brand back to market but there is a significant risk that it will not be economical to do so and therefore the related £0.6m intangible asset has been written off in full. Apart from this one-off non-cash impairment charge, the impact on profits is not significant as sales of Pavacol-D have been very low for the past few years as a result of various supply issues.

The reduced sales contribution from the cyclical toxicology product resulted in a lower operating profit before exceptional items of £11.8m (2013: £13.3m). This represented 27.1% of sales (2013: 29.4%) – still a very healthy percentage.

ALLIANCE IS A HIGHLY CASH GENERATIVE BUSINESS

Our financing costs reduced for the sixth consecutive year to £1.0m (2013: £1.3m). This was as a result of the conversion of the last of the convertible loan stock in 2013 and the reduction in net bank debt from £25.2m at the start of the year to £21.1m at the year-end. Year-end debt to EBITDA gearing remained flat at 1.6 times.

Alliance is a highly cash generative business, and 2014's free cash flow of £10.3m was well ahead of the £8.2m achieved in 2013. £3.8m of this was reinvested in acquisitions during the year and £2.4m was returned to shareholders via the dividends.

At the year-end, our unused bank facility available to fund acquisitions stood at £23.8m (2013: £25.0m). This was reduced to £18.3m in February 2015, following the drawdown of £5.5m as the initial payment for MacuVision Europe Ltd, which brought us the MacuShield brand.

Earnings per share

Adjusted basic EPS was 3.36p (2013: 3.82p), and adjusted diluted EPS was 3.34p (2013: 3.68p), the reduction mainly reflecting the impact of the toxicology product dropping to the low point of its cycle and the tender being lost. Including the Pavacol-D impairment charge, basic EPS was 3.17p (2013: 3.82p). During the year the number of shares in issue remained virtually unchanged at 264.1m.

Dividend

We are maintaining our progressive dividend policy, recommending a final payment of 0.667 pence per ordinary share to give a total for the year of 1.0 pence per share. This represents a 10% increase on the previous year's dividend, while still maintaining ample earnings cover of over three times. The final dividend will be paid on 15 July 2015 to shareholders on the register on 19 June 2015.

Strategy

The essence of our model is our long-established 'buy and build' strategy, which is underpinned by a well balanced portfolio. We have a healthy segment of brands in which we invest for growth. Conversely we also possess many brands that are well established in their market niches and will maintain their sales for many years with little or no promotion. This balance allows us to invest in marketing to develop growth, whilst at the same time delivering good cash generation and profitability. As examples, we purchased Lypsyl in December 2013 for the turn-around opportunity to deliver growth; Irenat in January 2014 for its stability and cash generation without the need for promotion; and MacuShield in February 2015 for its strong ongoing growth and the opportunity for us to grow the brand further across many territories.

FREE CASH FLOW OF £10.3M

In recent years we have been broadening the growth element of our portfolio to include consumer healthcare products. These typically offer substantial organic growth, whilst only requiring modest promotional investment. Our increasing experience in this area indicates that certain types of consumer product can do well without major marketing expenditure. And these consumer products help to balance risk across the portfolio because they are not exposed to government price controls.

WE PURCHASED MACUSHIELD IN FEBRUARY 2015 FOR ITS STRONG ONGOING GROWTH

In February 2015 we acquired MacuVision Europe Ltd, a UK-based business selling MacuShield, a treatment for dry age-related macular degeneration and other eye conditions. The initial consideration was £5.5m plus the net asset value, with deferred payments totalling up to £6.0m over the next two years dependent on MacuShield's sales growth. The acquisition should bring an initial gross profit contribution of about £1m a year and sales are growing rapidly, up 51% in 2014.

MacuShield is a once-a-day capsule that contains meso-zeaxanthin, lutein and zeaxanthin – three carotenoids, or pigments. These three carotenoids are naturally present in the eye, where together they are known as macular pigment. Macular pigment helps to protect the eye by neutralising free radicals and absorbing blue light, which can damage the retina. With age, and particularly in dry age-related macular degeneration and other eye conditions, the level of macular pigment is reduced creating the need for a dietary supplement to boost the level of pigment in the retina.

Around 75% of MacuShield sales are generated in the UK, with the remainder being sales to international distributors, mainly in Europe.

We continue to seek attractive acquisition opportunities across a wide range of products and markets. Over time we would expect to maintain a balance across the portfolio – between prescription and consumer products, and between promoted and non-promoted products.

IN CONSUMER HEALTHCARE WE HAVE SEVERAL GROWTH INITIATIVES

Recently, we have increased the proportion in our portfolio of both promoted content and consumer brands. Following the integration of the MacuShield brand, promoted products will have risen to about 40% of sales, being equally divided between prescription and consumer.

There is likely to be to a measured increase in marketing investment over the next few years, although this will not be at the expense of profitability. In 2015 the focus will be on the re-introduction of Immucyst; continuing the rapid growth of MacuShield; the continuing growth of Hydromol; and the commencement of promotion behind Ashton & Parsons Infants' Powders.

In the first half of the year we are testing both TV advertising and direct mail campaign options for Ashton & Parsons Infants' Powders so that we can maximise the return on the spend that is scheduled for later in the year.

Extensive work on re-positioning the Lypsyl brand will continue through 2015, with a view to increasing the marketing investment in 2016.

IN JANUARY 2014 WE ACQUIRED IRENAT

We have maintained our focus on M&A. In January 2014 we acquired Irenat, a well-established prescription brand in Germany used in thyroid conditions. This was our first acquisition in Germany since placing a Country Manager there in 2012. It means that our German business is now trading profitably.

Also in January 2014, we took a 20% minority stake in the Shanghai based, Synthasia International, a company that markets a high-quality Swiss infant milk formula product in China. This transaction has a progressive arrangement whereby Alliance can increase its share to 100% over several years at pre-determined multiples. Progress at Synthasia was delayed initially by a Chinese government review of all imported formula milk products, which, whilst problematic in the short term, had the benefit of removing many competitors from the market.

Our businesses in France and Germany are both progressing well and we are seeing a good flow of acquisition opportunities.

WE WELCOMED ANDREW SMITH AS OUR NEW NON-EXECUTIVE CHAIRMAN

Team

In May 2014 we welcomed Andrew Smith as our new Non-Executive Chairman, following Michael Gatenby's retirement. Andrew knows the business well, having been a Non-Executive Director since 2006.

Two new Non-Executive Directors have joined the board in the past year. David Cook joined in April 2014, taking over the Chair of our Audit Committee from Michael Gatenby, and Nigel Clifford joined in January 2015 following the retirement of Paul Ranson in December 2014. David is currently Chief Financial Officer and Chief Business Officer of Biotie Therapies Corp. and brings extensive knowledge and experience of the pharmaceutical industry. Nigel has been Chief Executive of Procserve Holdings for the past three years and is about to move to become Chief Executive of Ordnance Survey. He brings broad business experience with significant exposure to European and international markets.

Our Finance Director, Richard Wright, has indicated his intention to leave Alliance at the end of May 2015. We are grateful to Richard for his significant contribution to the business over the past eight years and wish him well for the future. The process to recruit a replacement is under way.

To manage the growing number of consumer products in our portfolio, we appointed Alex Duggan in January 2015 as Head of Consumer Healthcare. Alex has over 20 years of experience as an entrepreneur in consumer healthcare and has launched several leading products in the UK and internationally, including Snoreeze and Wartner.

Charity

We continue to donate products regularly to International Health Partners, a charity that distributes medicines to doctors in the world's neediest areas.

Alliance also supports its employees in their fundraising activities for local charities. In 2014 this included £9,000 raised by eight employees who cycled from Bristol to Bordeaux in aid of PROPS, a charity supporting young people with special needs; and £2,500 raised by employees for the Wiltshire Air Ambulance.

WE CONTINUE TO SEEK ATTRACTIVE ACQUISITION OPPORTUNITIES ACROSS A WIDE RANGE OF PRODUCTS AND MARKETS

Outlook

In 2015 and 2016 we expect to overcome the headwinds that have beset us in recent years, namely: the suspension of ImmuCyst production in 2012; the generic threats to Nu-Seals in Ireland as part of the generic substitution initiative; and the emergence of new competitors to our cyclical toxicology product.

ImmuCyst is expected to return in the second half of 2015 after an absence of three years. Our market intelligence is that clinicians eagerly await its resumed availability. Additionally in the hospital sector we expect continuing good performance from Gelclair in oral complications arising from cancer treatments and we expect the Opus range of stoma products to continue to sell well.

The long-running positive trend behind Hydromol, our favoured range of emollients for patients requiring skin rehydration, is also expected to continue.

In consumer healthcare, we have several growth initiatives. We aim to develop further the strong franchise behind Ashton & Parsons Infants' Powders, which is the number one pharmacy brand in its sector. With Lypsyl, following brand re-positioning work being undertaken this year, we plan to re-invigorate this well-known brand in 2016. Finally we are very excited by the significant potential afforded by MacuShield, which is recommended by eye specialists for use in dry age-related macular degeneration.

On the M&A front we are encouraged by the deal flow we are currently experiencing, for which we have ample financing headroom.

AMPLE FINANCING HEADROOM

Principal risks and uncertainties

The Group's principal risks and uncertainties are outlined below.

Sales volumes being affected by a change in demand

Changes in demand for pharmaceuticals products could be caused by a number of factors, such as changes in the competitive environment. Key criteria when Alliance selects products to add to its portfolio are that the products are in niche areas, with the majority requiring little or no promotional support, and that the products have many years of steady sales history before acquisition.

Sales volumes being affected by supply chain constraints

Issues within the supply chain can interrupt supply leading to insufficient stock being available to meet demand, particularly as all manufacturing is outsourced and is therefore outside our direct control. Over the last few years Alliance has taken a number of measures to strengthen its supply chain. These include where possible strengthening the supply chain team within the business, dual sourcing of some key products and of some key ingredients, holding larger buffer stocks of selected products and improved communication with suppliers.

Sales pricing being reduced by regulatory action

Around one third of the Group's revenues are from products covered by the Pharmaceutical Price Regulation Scheme (PPRS), which is the UK Government's tool for controlling pricing for the NHS. Alliance is a member of the ABPI and other industry bodies which are consulted by the Government on changes to PPRS. The latest scheme commenced in January 2014 and runs for five years. Most of the other UK revenue is from products that are medical devices, sold over the counter or are generic. The regulatory regime for medical devices allows for inflationary price increases each year and over the counter and generic products are freely priced. In Ireland, a new generic substitution and reference pricing regime is in the process of being implemented which may impact Nu-Seals later in 2015. The Company has made representations to the HPRA explaining why Nu-Seals should not be included on this list.

Cost price inflation affecting gross margins

Increases in the cost of goods could erode gross margins. In a number of cases Alliance has arrangements with suppliers which either fix prices or limit price increases over the next few years. At the expiry of such arrangements, prices are tested against prevailing rates in the market. Alliance also looks for improvements in production techniques to reduce the cost of manufacturing.

System failure or cyber security breach

The Group has a range of measures in place to monitor and mitigate this risk: networks and systems are protected by anti-virus software, firewalls and network segmentation that are regularly updated; regular introduction of more up to date software also provides additional in-built security; and incident management, business continuity management and IT disaster recovery plans are in place for critical business processes to mitigate the effects of the business being unable to operate in the event of a major incident.

Financial risk management

The Group monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk. The Group's other financial risk management policies and objectives are detailed in note 21 of the financial statements.

On behalf of the Board

Sarah Robinson
Company Secretary
24 March 2015

Board of Directors

Directors who held office at the date of this report are set out below. All were Directors throughout 2014 with the exception of David Cook who was appointed on 1 April 2014 and Nigel Clifford who was appointed on 26 January 2015.

Andrew Smith – Chairman [325]

Andrew joined the Board of Alliance in 2006. He has held various senior positions in the pharmaceutical industry in the UK and USA having been managing director and senior vice-president of SmithKline Beecham Pharmaceuticals (now GSK), chief executive of Cerebrus plc until its sale and president international medical marketing services with Parexel International. Andrew is a founder of Navitas BioPharma Consulting. He graduated in Natural Sciences from the University of Cambridge.

John Dawson – Chief Executive Officer [4]

John founded Alliance in 1996. He gained multi-disciplinary experience in the pharmaceutical industry over thirty years. John held various senior roles at Sandoz (now Novartis AG) as director of finance and administration and deputy managing director. John has a BSc (Pharmacy) and an MSc (Finance) from the London Business School.

Richard Wright – Finance Director

Richard joined the Board of Alliance in 2007. He is a Chartered Accountant with over 20 years of experience in financial roles across a variety of sectors. Richard read Mathematics at Robinson College, Cambridge and qualified as an accountant with Ernst & Young LLP before joining Somerfield plc. More recently, he held senior finance positions at FirstGroup plc and Parragon Publishing.

Tony Booley – Executive Director

Tony joined Alliance in 1998. He has had around 30 years' experience in the pharmaceutical and healthcare industries, with positions at Leo Pharma, Glaxo Wellcome (now GlaxoSmithKline "GSK") and Getinge Industrier AB. His senior management experience includes positions in the UK and internationally. Tony graduated in Physiology, has an MBA from Warwick and is a Chartered Marketer.

Peter Butterfield – Executive Director

Peter joined the board of Alliance in February 2010 following the acquisition of Cambridge Laboratories, where he spent five years, latterly as UK Commercial Director. He is a Board Member of the Association of the British Pharmaceutical Industry ("ABPI") and is chairman of the ABPI Small Companies Forum. Prior to joining Cambridge Laboratories, Peter spent six years at GlaxoSmithKline. He holds an honours degree in Pharmacology from the University of Edinburgh.

Thomas Casdagli – Non-Executive Director [6,4]

Thomas joined the board of Alliance as a non-executive director on 3 March 2009. He is a partner at MVM Life Science Partners LLP, a life science venture capital fund. He has been an active investor in life sciences since joining MVM in 2002. Before joining MVM, Thomas worked at PricewaterhouseCoopers LLP where he qualified as a Chartered Accountant. Thomas graduated in Molecular and Cellular Biochemistry from the University of Oxford in 1998.

David Cook – Non-Executive Director [1,6,4]

David joined the board of Alliance as a non-executive director on 1 April 2014. He is currently Chief Financial Officer and Chief Business Officer of Biotie Therapies Corp, a drug development company quoted in Helsinki on the NASDAQ OMX market. He has previously held senior financial positions with Jazz Pharmaceuticals International, EUSA Pharma Inc and Zeneus Pharma. David qualified as a chartered accountant with PricewaterhouseCoopers after graduating in chemistry at the University of Oxford.

Nigel Clifford – Non-Executive Director [2,4,6] (appointed to Committees on 24 February 2015)

Nigel joined the board of Alliance as a non-executive director on 26 January 2015. He is currently Chief Executive of Procserve Holdings Limited, though will shortly be moving to be Chief Executive at Ordnance Survey. He is also currently a non-executive director of Anite plc. He has previously held senior positions at Micro Focus International plc, Nokia, Symbian Software Ltd, Tertio Telecoms Limited, Cable and Wireless plc, Glasgow Royal Infirmary NHS Trust and BT plc. Nigel graduated in Geography from the University of Cambridge and has an MBA from Strathclyde University.

[1] Chairman Audit Committee
[2] Audit Committee member
[3] Chairman Nomination Committee
[4] Nomination Committee member
[5] Chairman Remuneration Committee
[6] Remuneration Committee member

Senior Team Members

Janice Timberlake – Human Resources Director

Janice joined Alliance in 2011 as HR Director. She is a Fellow of the Chartered Institute of Personnel & Development and has over 20 years of experience in HR roles across a variety of industry sectors. Janice's early career was in the UK mining industry, followed by Board roles in the UK division of MyTravel Plc (formerly Airtours) and latterly the Natural Environment Research Council. She is currently a non-executive Director and Trustee of Plymouth Marine Laboratory Ltd, and holds a BSc honours degree in Geography from Hull University.

Dan Thomas – Business Development Director

Since joining Alliance in 2006 Dan has led Alliance's M&A and licensing activity, completing over 17 deals. Dan has worked in senior management in the clinical research (CRO) sector, at Chiltern International and in the biotech research and diagnostics sector, at R&D Systems Europe (Techne Corp Inc), responsible for international regional sales operations. Dan has worked in Canada, Germany and France. He holds a first class honours degree in Applied Biochemistry from Brunel University. In 2011 Dan won the PLG/AstraZeneca BD Executive of the Year award.

Sarah Robinson – Company Secretary

Sarah joined Alliance in 2010 as the Company Secretary. She has worked in Asia, the UK and the USA, was Company Secretary for the Financial Times and has further experience in the financial services and health sector. A Chartered Secretary, Sarah gained her MBA from Southampton University.

Margaret Boulton – Medical & Regulatory Affairs Director

Margaret joined Alliance in 2009. She has around twenty years of experience in the pharmaceutical and healthcare industries, with Regulatory/Scientific Affairs positions at Abbott, Baxter and Élan. Margaret graduated in Animal Science at Nottingham, has a PhD from Edinburgh and an MBA from Bath.

Stephen Kidner – Operations Director

Stephen joined Alliance in August 2013 bringing a background in development, manufacturing and supply chain management gained in the pharmaceutical industry over a 23 year career with Wyeth and Mundipharma International. A science graduate, Stephen holds an MSc in Pharmaceuticals and an MBA.

Corporate Governance

Introduction

Alliance Pharma plc is an AIM listed company and the Board is committed to achieving good standards of corporate governance, integrity and business ethics.

Responsibilities of the Board

The Board is responsible to the shareholders for:

- Setting the Group's strategy
- Maintaining the policy and decision-making process around which the strategy is implemented
- Ensuring that necessary financial and human resources are in place to meet strategic aims
- Monitoring performance against key financial and non-financial indicators
- Providing leadership whilst maintaining the controls for managing risk
- Overseeing the system of risk management
- Setting values and standards in corporate governance matters.

There is a list of matters reserved for the Board which may be updated by the Board and approved by the Board only.

The Chairman is responsible for leading the Board, facilitating the effective contribution of all members and ensuring that it operates effectively in the interests of the shareholders. The Chief Executive Officer is responsible for the leadership of the business and implementation of the strategy. The Company Secretary is responsible, on behalf of the Chairman, for ensuring that all Board and Committee meetings are conducted properly, that the Directors receive the appropriate information prior to the meeting, for ensuring that governance requirements are considered and implemented and for accurately recording each meeting. The Directors may have access to independent professional advice, where needed, at the Group's expense.

Board Evaluation and Governance Review

In 2014 the Board conducted a Board Evaluation and a review of corporate governance.

The review of corporate governance looked at the new UK Governance Code (2014), and compared its requirements with both the NAPF Aim Guidelines and the QCA Code as they apply to the Company. As the company is listed on AIM, it is not required to comply with the UK Governance Code but uses this as a benchmark for good governance practice. The review noted that the appointment of David Cook in April 2014 and the anticipated appointment of Nigel Clifford in January 2015 would build on the independence of the Board. The Board did not consider that the appointment of senior independent director was necessary in 2014 but will consider this at each review.

The Board Evaluation, conducted every two years, reviewed the effectiveness of the Board in determining the corporate strategy, governance and controls, and Board development. The Evaluation results will be used to develop the effectiveness of the Board when progressing the corporate strategy and oversight of the control structure within the organisation. The Evaluation considered the Board's development requirements and the appropriate induction of new members.

Relations with Shareholders

At each meeting, the Board is updated on the meetings and communications with the shareholders and an analysis of the shareholder base is presented. Research notes by brokers are circulated to all Board members. Throughout the year the Chief Executive Officer and Finance Director meet with the large, institutional shareholders who hold the majority of the shares. Regular feedback is given to the Board following meetings with the shareholders from the financial PR advisors, and from the shareholders via the brokers.

The Group recognises that whilst the majority of the shares are held by large institutions, attention should be paid to the private shareholders and the Investor Relations section of the Group's website is regularly updated and amended with the aim being to provide good information to all shareholders, particularly private investors. The website provides a facility to receive email alert notifications of Group news and stock exchange announcements. In addition the Chief Executive Officer and Finance Director regularly present at conferences attended by many potential and current private shareholders and meet with Private Client Fund Managers representing the interests of private investors following which feedback is given to the Group.

At the Annual General Meeting the Chairman issues a statement on current trading. Directors are available following the meeting to answer questions and for informal discussions. The results of the proxy votes are announced at the meeting, including the abstentions and these are published on the website following the meeting.

Management Teams

During 2014 the Board delegated management of the business to the Corporate Organisation Team and the UK and International Review and Planning Teams. The Executive Team, which comprises the Executive Directors, is the chief operating decision maker and attended the Corporate Organisation Team and Review and Planning team meetings.

Reporting Structure

Committees

The Board has an Audit Committee, a Nominations Committee and a Remuneration Committee, each with written terms of reference. The terms of reference are available on the Group website. The Report of the Remuneration Committee and Report of the Nominations Committee form part of this governance section. Each Committee reports to the Board on its activities.

Meetings

The Board meets regularly on pre-determined dates and has a strategy meeting each year consisting of the Board and other Senior Managers, the purpose of which is to discuss progress on the strategy, to review the long term strategy and develop the strategic framework for the achievement of the Group's targets. During 2014 the Board held 11 scheduled meetings. Michael Gatenby attended the three scheduled meetings until his retirement in March 2014. David Cook attended the eight scheduled Board meetings from his appointment in April 2014. Thomas Casadagli attended ten Board meetings. All other members of the Board attended all the scheduled meetings. In addition there were a number of ad-hoc meetings.

Non-Executive Directors

The role of the non-executive directors is to:

- Challenge constructively and help develop proposals on strategy
- Satisfy themselves as to the financial integrity of the financial information
- Satisfy themselves as to the robustness of the controls
- Ensure that the systems of risk management are robust and defensible
- Review management performance and the monitoring and reporting of such performance.

They have a role in determining the pay and benefits of the Executive Directors, to play a key role in the appointment and, if necessary, removal of Executive Directors and Board succession.

Directors' Remuneration

Remuneration Committee

The members of the Remuneration Committee are:

Andrew Smith (Chairman of the Remuneration Committee)

Thomas Casdagli

David Cook

Nigel Clifford (appointed 24 February 2015)

The Company Secretary attends the meetings of the Remuneration Committee as secretary to the Remuneration Committee. The Chief Executive Officer and the Human Resources Director are also invited to attend certain meetings of the Remuneration Committee.

There were 6 Remuneration Committee meetings held during the year.

The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 do not apply to companies quoted on AIM; the Remuneration Committee is committed to use the Regulations to influence the Report and follow best practice where appropriate.

The terms of reference of the Remuneration Committee are available on www.alliancepharma.co.uk

Role of the Remuneration Committee

The Remuneration Committee reviews and determines on behalf of the Board and shareholders of the Company the pay, benefits and other terms of service of the Executive Directors of the Company and the broad pay strategy with respect to senior Company employees.

Remuneration Policy

The objective of the Company's remuneration policy is to attract and retain the directors and senior executives needed to run the Company in a cost-effective manner.

The remuneration policy of the Company has four principal components:

1. **Basic Salaries and Benefits in Kind** – Basic salaries are determined by the Remuneration Committee bearing in mind the salaries paid in AIM-listed and other small market capitalisation healthcare companies. Within that frame of reference, it is intended that pay should be at or near the median level. Benefits in kind include the provision of company cars (or a salary alternative).
2. **Bonuses** – Bonuses are payable to staff according to the achievement by the Group of certain pre-determined earnings targets. The level of bonuses payable on achievement of the targets is set at the level perceived appropriate to provide the necessary incentives for Executive Directors and Senior Managers. There are appropriate adjustments to the bonus payable in the event of over- or under-achievement of the Group against those targets. In addition, bonuses are adjusted for personal performance and the amount of bonus paid will reflect any substantial periods of absence or unavailability of the employee.
3. **Share Options Scheme** – The Company has in place a share option scheme covering all employees, under which share options are normally granted once a year. The exercise price of the options granted under the scheme is set equal to the market value of the company's shares at the time of grant. The share option scheme is overseen by the Remuneration Committee which shall determine the terms under which eligible individuals may be invited to participate. The scheme is normally an HMRC approved scheme but may be unapproved in relation to certain individuals.
4. **Pensions** – There is a defined contribution scheme for all Executive Directors and employees. Only basic salaries are pensionable, except in the case of Tony Booley, whose bonus is also pensionable.

Directors' Remuneration

The aggregate remuneration payable to the directors during the period was as follows:

	Salary		Bonus		Other		Pension		Total Remuneration	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
A R Booley	**182,057**	153,001	**7,789**	35,908	**6,483**	2,114	**2,403**	17,792	**198,732**	208,815
P J Butterfield	**161,600**	153,001	**10,219**	45,063	**520**	473	**15,140**	14,280	**187,479**	212,817
T Casdagli	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
J Dawson	**212,677**	209,076	**8,014**	49,904	**5,332**	6,086	**10,000**	10,000	**236,023**	275,066
M R B Gatenby	**29,277**	74,246	**-**	-	**832**	770	**-**	-	**30,109**	75,016
P M Ranson	**34,404**	33,791	**-**	-	**-**	-	**-**	-	**34,404**	33,791
A L Smith	**56,134**	33,791	**-**	-	**1,611**	499	**-**	-	**57,745**	34,29
R D Wright	**155,606**	153,001	**5,720**	36,050	**1,767**	1,610	**14,372**	14,280	**177,465**	204,941
D Cook	**25,910**	-	**-**	-	**318**	-	**-**	-	**26,228**	-
	857,665	809,907	**31,742**	166,925	**16,863**	11,552	**41,915**	56,352	**948,185**	1,044,736

	Total Remuneration		Share based payments		Total	
	2014	2013	**2014**	2013	**2014**	2013
A R Booley	**198,732**	208,815	**35,013**	20,227	**233,745**	229,042
P J Butterfield	**187,479**	212,817	**55,092**	80,077	**242,571**	292,894
T Casdagli	**-**	-	**-**	-	**-**	-
J Dawson	**236,023**	275,066	**-**	-	**236,023**	275,066
M R B Gatenby	**30,109**	75,016	**-**	-	**30,109**	75,016
P M Ranson	**34,404**	33,791	**-**	-	**34,404**	33,791
A L Smith	**57,745**	34,290	**-**	-	**57,745**	34,290
R D Wright	**177,465**	204,941	**35,013**	20,258	**212,478**	225,199
D Cook	**26,228**	-	**-**	-	**26,228**	-
	948,185	1,044,736	**125,118**	120,562	**1,073,303**	1,165,298

Directors' Service Contracts

All Executive Directors are employed under service contracts. The services of all Executive Directors may be terminated by the provision of a maximum of 12 months' notice by the Company.

Directors' Share Options

Details of options for the directors who served during the year are as follows:

	Number 2013		**Granted**		**Exercised**		**Number 2014**				
	Not subject to performance conditions	Subject to performance conditions	Not subject to performance conditions	Subject to performance conditions	Not subject to performance conditions	Subject to performance conditions	Not subject to performance conditions	Subject to performance conditions	Exercise price (pence)	Date from which exercisable	Expiry date
AR Booley	110,000	-	-	-	-	-	**110,000**	**-**	7.75	13/04/12	12/04/19
	116,500	-	-	-	-	-	**116,500**	**-**	34.25	29/04/13	28/04/20
	130,000	-	-	-	-	-	**130,000**	**-**	34.12	28/04/14	27/04/21
	140,000	-	-	-	-	-	**140,000**	**-**	29.25	19/10/15	18/10/22
	144,200	-	-	-	-	-	**144,200**	**-**	37.25	06/06/16	05/06/23
	-	400,000	-	-	-	-	**-**	**400,000**	35.75	23/10/18	22/10/23
	-	-	144,200	-	-	-	**144,200**		33.75	11/04/17	10/04/24
PJ Butterfield	1,000,000	-	-	-	-	-	**1,000,000**	**-**	33.25	26/03/13	25/03/20
	115,000	-	-	-	-	-	**115,000**	**-**	34.25	29/04/13	28/04/20
	1,130,000	-	-	-	-	-	**1,130,000**	**-**	34.12	28/04/14	27/04/21
	140,000	-	-	-	-	-	**140,000**	**-**	29.25	19/10/15	18/10/22
	144,200	-	-	-	-	-	**144,200**	**-**	37.25	06/06/16	05/06/23
	-	400,000	-	-	-	-	**-**	**400,000**	35.75	23/10/18	22/10/23
	-	-	144,200	-	-	-	**144,200**		33.75	11/04/17	10/04/24
RD Wright	-	-	-	-	-	-	**-**	**-**	8.50	23/04/11	22/04/18
	-	-	-	-	-	-	**-**	**-**	7.75	13/04/12	12/04/19
	118,650	-	-	-	-	-	**118,650**	**-**	34.25	29/04/13	28/04/20
	130,000	-	-	-	-	-	**130,000**	**-**	34.12	28/04/14	27/04/21
	140,000	-	-	-	-	-	**140,000**	**-**	29.25	19/10/15	18/10/22
	144,200	-	-	-	-	-	**144,200**	**-**	37.25	06/06/16	05/06/23
	-	400,000	-	-	-	-	**-**	**400,000**	35.75	23/10/18	22/10/23
	-	-	144,200	-	-	-	**144,200**		33.75	11/04/17	10/04/24

The market price of ordinary shares at 31 December 2014 was 37.00 pence and the range during the period was from 32.00 pence to 41.00 pence.

Nominations Committee

The Nominations Committee met seven times during the year. Michael Gatenby attended the 3 meetings prior to his retirement on 26 June 2014. David Cook attended the 4 meetings following his appointment. Thomas Casdagli attended 6 meetings. Other members attended all the meetings. The Committee focused heavily on Board succession with the following key outcomes:

- The appointment on 1 April 2014 of David Cook as a Non-Executive Director and as Chair of the Audit Committee
- The appointment of Nigel Clifford on 26 January 2015 as a Non-Executive Director

The Committee appointed Hanson Green Ltd to compile a short list of candidates for these vacancies. Hanson Green Ltd has no other connection with the company. The Committee acknowledges that diversity is a benefit to the Company and bears this in mind when recruiting to any role. By this approach, the company seeks to recruit the best individual for the role, but has not implemented a policy of positive discrimination by forms of measurable diversity objectives.

Board succession and composition will remain a priority for the coming year.

Audit Committee

The Audit Committee met 3 times during the year. Michael Gatenby attended the 1 meeting prior to his retirement on 26 June 2014. David Cook attended the 2 meetings following his appointment. Andrew Smith and Paul Ranson, prior to his retirement on 31 December 2014, attended all meetings.

The external auditors attend the meetings to discuss the planning and conclusions of their audits and reviews.

The Audit Committee is able to call for information from management and consults with the external auditors directly if required.

The Audit Committee operates within specific terms of reference which include:

- considering the appointment of external auditors
- reviewing the relationship with external auditors
- reviewing the financial reporting and internal control procedures
- reviewing the management of financial matters and focusing upon the independence and objectivity of the external auditors
- reviewing the consistency of accounting policies both on a year to year basis and across the Group.

Other Matters

Principal activities

The principal activity of the Group is the acquisition, marketing and distribution of pharmaceutical products. The principal activity of the Company is to act as a holding company.

Directors

The following table shows the beneficial interests of the Directors (and their spouses and minor children) in the shares of the Company.

	Ordinary shares			
	Beneficial interest Number	Non-beneficial interest Number	**At end of year Number**	At start of year or subsequent appointment Number
Anthony Booley	4,310,723	-	**4,310,723**	4,610,723
Peter Butterfield	-	-	**-**	-
Thomas Casdagli	26,101	24,035,799	**24,061,900**	24,061,900
John Dawson	39,576,402	20,000,000	**59,576,402**	59,576,402
Michael Gatenby	350,000	-	**350,000**	350,000
Paul Ranson	48,000	-	**48,000**	48,000
Andrew Smith	200,000	-	**200,000**	200,000
Richard Wright	190,768	-	**190,768**	190,768

Directors' Responsibilities Statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group financial statements and the Company financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company and group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that:

- so far as each of the directors is aware there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disabled employees

Applications for employment by disabled persons are fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee information and consultation

The Group continues to involve its staff in the future development of the business. Information is provided to employees through the Group website, intranet site and by regular briefing meetings.

The Group operates a Group Personal Pension Plan and a Stakeholder Pension Plan which is available to all employees.

Going concern

As explained in the Strategic Report, the current rate of cash generation by the Group comfortably exceeds the capital and debt servicing needs of the business (though there cannot, of course, be absolute certainty that the rate of cash generation will be maintained). The Board remains confident that all the bank covenants will continue to be met. The Group has a £5m Working Capital Facility which is largely undrawn and which the Board believes should comfortably satisfy the Group's working capital needs for at least the next 12 months.

After making enquiries, the Directors have formed a judgement that there is reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

Political donations

There were no political donations made during the period.

Auditor

A resolution to re-appoint Grant Thornton UK LLP as auditor for the next year will be proposed at the annual general meeting in accordance with section 489 of the Companies Act 2006.

Annual General Meeting

The 2015 Annual General Meeting of the Company will be held on 27 May 2015, the business of which is set out in the Notice of Meeting.

On behalf of the Board

Sarah Robinson
Company Secretary
24 March 2015

Independent Auditor's Report to the members of Alliance Pharma plc

We have audited the financial statements of Alliance Pharma plc for the year ended 31 December 2014 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the company balance sheet, the consolidated statement of changes in equity, company statement of changes in equity, the consolidated and company cash flow statements and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2014 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Tracey James

Tracey James
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Oxford Rowan Place
24 March 2015

Consolidated Income Statement

	Notes	Year ended 31 December 2014 £000s	Year ended 31 December 2013 Restated* £000s
Revenue	3	**43,536**	45,275
Cost of sales		**(18,493)**	(17,944)
Gross profit		**25,043**	27,331
Operating expenses			
Administration and marketing expense		**(12,510)**	(12,917)
Amortisation of intangible assets		**(488)**	(422)
Share-based employee remuneration	6	**(571)**	(632)
Share of joint venture profits/(losses)		**319**	(48)
		(13,250)	(14,019)
Operating profit excluding exceptional item		**11,793**	13,312
Exceptional item: impairment	11	**(622)**	-
Operating profit		**11,171**	13,312
Finance costs			
Interest payable and similar charges	5	**(1,090)**	(1,281)
Interest income	5	**48**	50
Other finance income/(charges)	5	**28**	(72)
		(1,014)	(1,303)
Profit on ordinary activities before taxation	4	**10,157**	12,009
Taxation	7	**(1,772)**	(2,425)
Profit for the year attributable to equity shareholders		**8,385**	9,584
Earnings per share			
Basic (pence)	9	**3.17**	3.82
Diluted (pence)	9	**3.16**	3.68

*Restated due to the adoption of IFRS 11, please see note 2 and 33.

All of the activities of the Group are classed as continuing.
The accompanying accounting policies and notes form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

	Year ending 31 December 2014 £000s	Year ending 31 December 2013 £000s
Profit for the period	**8,385**	9,584
Other comprehensive income		
Other items recognised directly in equity		
Items that may be reclassified to profit or loss		
Interest rate swaps – cash flow hedge	**(572)**	443
Deferred tax on interest rate swaps	**119**	(93)
Foreign exchange translation differences	**7**	-
Share of joint venture other comprehensive loss	**(8)**	-
Total comprehensive income for the period	**7,931**	9,934

Consolidated Balance Sheet

	Note	**31 December 2014 £000s**	31 December 2013 Restated* £000s	1 January 2013 Restated* £000s
Assets				
Non-current assets				
Intangible assets	10	**88,875**	87,111	77,940
Property, plant and equipment	11	**396**	592	564
Joint venture investment	33	**1,271**	533	1,001
Joint venture receivable	33	**1,462**	1,462	1,462
Derivative financial instruments	22	**-**	443	-
Deferred tax asset	23	**194**	-	-
		92,198	90,141	80,967
Current assets				
Inventories	13	**5,914**	5,468	5,393
Trade and other receivables	14	**8,322**	10,641	9,507
Cash and cash equivalents	15	**1,434**	687	4,613
		15,670	16,796	19,513
Total assets		**107,868**	106,937	100,480
Equity				
Ordinary share capital	25	**2,641**	2,641	2,430
Share premium account		**29,388**	29,380	25,297
Share option reserve		**1,995**	1,424	792
Reverse takeover reserve		**(329)**	(329)	(329)
Other reserve		**(103)**	350	-
Retained earnings		**37,188**	31,202	23,658
Total equity		**70,780**	64,668	51,848
Liabilities				
Non-current liabilities				
Long term financial liabilities	18	**19,235**	20,881	20,225
Other liabilities	20	**-**	-	20
Deferred tax liability	23	**6,309**	6,294	6,124
Provisions for other liabilities	24	**-**	199	364
Derivative financial instruments	22	**129**	-	-
		25,673	27,374	26,733
Current liabilities				
Cash and cash equivalents	15	**414**	2,125	1
Financial liabilities	18	**2,895**	2,895	6,250
Convertible debt	18,19	**-**	-	4,189
Corporation tax		**959**	1,154	1,322
Trade and other payables	17	**6,920**	8,531	9,940
Provisions for other liabilities	24	**227**	190	197
		11,415	14,895	21,899
Total liabilities		**37,088**	42,269	48,632
Total equity and liabilities		**107,868**	106,937	100,480

*Restated due to the adoption of IFRS 11, please see note 2 and 33.

The financial statements were approved by the Board of Directors on 24 March 2015.

John Dawson
Director

Richard Wright
Director

The accompanying accounting policies and notes form an integral part of these financial statements. Company number 04241478

Company Balance Sheet

	Note	**31 December 2014 £000s**	31 December 2013 £000s	1 January 2013 £000s
Assets				
Non-current assets				
Investment in subsidiaries	12	**51,936**	47,119	37,618
		51,936	47,119	37,618
Current assets				
Trade and other receivables	14	**25**	50	10,021
Cash and cash equivalents	15	**12**	12	182
		37	62	10,203
Total assets		**51,973**	47,181	47,821
Equity				
Ordinary share capital	25	**2,641**	2,641	2,430
Share premium account		**29,388**	29,380	25,297
Share option reserve		**1,995**	1,424	792
Retained earnings		**17,766**	13,527	14,719
Total equity		**51,790**	46,972	43,238
Liabilities				
Current liabilities				
Convertible debt	18,19	**-**	-	4,189
Corporation tax		**-**	-	4
Trade and other payables	17	**183**	209	390
		183	209	4,583
Total liabilities		**183**	209	4,583
Total equity and liabilities		**51,973**	47,181	47,821

The financial statements were approved by the Board of Directors on 24 March 2015.

John Dawson
Director

Richard Wright
Director

The accompanying accounting policies and notes form an integral part of these financial statements. Company number 04241478

Consolidated Statement of Changes in Equity

	Ordinary share capital £000s	Share premium account £000s	Share option reserve £000s	Reverse takeover reserve £000s	Other reserve £000s	Retained earnings £000s	Total equity £000s
Balance 1 January 2013	2,430	25,297	792	(329)	-	23,658	51,848
Issue of shares	211	4,083	-	-	-	-	4,294
Dividend paid	-	-	-	-	-	(2,040)	(2,040)
Share options charge	-	-	632	-	-	-	632
Transactions with owners	211	4,083	632	-	-	(2,040)	2,886
Profit for the period	-	-	-	-	-	9,584	9,584
Other comprehensive income							
Interest rate swaps – cash flow hedge	-	-	-	-	443	-	443
Deferred tax on interest rate swap	-	-	-	-	(93)	-	(93)
Total comprehensive income for the period	-	-	-	-	350	9,584	9,934
Balance 31 December 2013	2,641	29,380	1,424	(329)	350	31,202	64,668
Balance 1 January 2014	2,641	29,380	1,424	(329)	350	31,202	64,668
Issue of shares	-	8	-	-	-	-	8
Dividend paid	-	-	-	-	-	(2,398)	(2,398)
Share options charge	-	-	571	-	-	-	571
Transactions with owners	-	8	571	-	-	(2,398)	(1,819)
Profit for the period	-	-	-	-	-	8,385	8,385
Other comprehensive income							
Interest rate swaps – cash flow hedge	-	-	-	-	(572)	-	(572)
Deferred tax on interest rate swap	-	-	-	-	119	-	119
Foreign exchange translation differences	-	-	-	-	-	(1)	(1)
Total comprehensive income for the period	-	-	-	-	(453)	8,384	7,931
Balance 31 December 2014	**2,641**	**29,388**	**1,995**	**(329)**	**(103)**	**37,188**	**70,780**

The balance on the share premium account may not be legally distributed under section 831 of the Companies Act 2006.

Company Statement of Changes in Equity

	Ordinary share capital £000s	Share premium account £000s	Share option reserve £000s	Retained earnings £000s	Total equity £000s
Balance 1 January 2013	2,430	25,297	792	14,719	43,238
Issue of shares	211	4,083	-	-	4,294
Dividend paid	-	-	-	(2,040)	(2,040)
Share options charge	-	-	632	-	632
Transactions with owners	211	4,083	632	(2,040)	2,886
Profit for the period	-	-	-	848	848
Balance 31 December 2013	2,641	29,380	1,424	13,527	46,972
Balance 1 January 2014	2,641	29,380	1,424	13,527	46,972
Issue of shares	-	8	-	-	8
Dividend paid	-	-	-	(2,398)	(2,398)
Share options charge	-	-	571	-	571
Transactions with owners	-	8	571	(2,398)	(1,819)
Profit for the period	-	-	-	6,637	6,637
Balance 31 December 2014	**2,641**	**29,388**	**1,995**	**17,766**	**51,790**

The balance on the share premium account may not be legally distributed under section 831 of the Companies Act 2006.

The profit for the year dealt with in the financial statements of the parent company was £6,637,000 (2013: Profit £848,000).

As permitted by section 408 of the Companies Act 2006, no separate income statement is presented in respect of the parent company.

Consolidated and Company Cash Flow Statements

	Note	Group Year ended 31 December 2014 £000s	Group Year ended 31 December 2013 Restated* £000s	Company Year ended 31 December 2014 £000s	Company Year ended 31 December 2013 £000s
Cash flows from operating activities					
Cash generated from operations	27	**13,451**	11,897	**50**	(23)
Tax paid		**(2,028)**	(2,516)	**-**	(4)
Cash flows received from/(used in) operating activities		**11,423**	9,381	**50**	(27)
Investing activities					
Interest received		**48**	50	**1,757**	1,464
Dividend received		**72**	420	**5,400**	10,000
Investment in subsidiary		**-**	-	**(4,817)**	(9,501)
Payment of deferred consideration		**-**	(20)	**-**	-
Development costs capitalised	10	**(58)**	(63)	**-**	-
Purchase of property, plant and equipment	11	**(111)**	(298)	**-**	-
Purchase of other intangible assets	10	**(2,817)**	(9,534)	**-**	-
Investment in joint venture	33	**(499)**	-	**-**	-
Net cash (used in)/received from investing activities		**(3,365)**	(9,445)	**2,340**	1,963
Financing activities					
Interest paid and similar charges		**(986)**	(1,232)	**-**	(148)
Loan issue costs		**-**	(500)	**-**	-
Loan to joint venture		**(503)**	-	**-**	-
Proceeds from exercise of share options		**8**	82	**8**	82
Dividend paid		**(2,398)**	(2,040)	**(2,398)**	(2,040)
Receipt from borrowings		**2,750**	28,500	**-**	-
Repayment of borrowings		**(4,500)**	(30,725)	**-**	-
Net cash (used in)/received from financing activities		**(5,629)**	(5,915)	**(2,390)**	(2,106)
Net movement in cash and cash equivalents		**2,429**	(5,979)	**-**	(170)
Cash and cash equivalents at the beginning of the period		**(1,438)**	4,613	**12**	182
Exchange gains/(losses) on cash and cash equivalents		**29**	(72)	**-**	-
Cash and cash equivalents at the end of the period	15	**1,020**	(1,438)	**12**	12

*Restated due to the adoption of IFRS 11, please see note 2 and 33.

The accompanying accounting policies and notes form an integral part of these financial statements.

Notes to the Financial Statements

for year ended 31 December 2014

1. General information

Alliance Pharma plc ('the Company') and its subsidiaries (together 'the Group') acquire, market and distribute pharmaceutical and other medical products. The Company is a public limited company incorporated and domiciled in England. The address of its registered office is Avonbridge House, Bath Road, Chippenham, Wiltshire, SN15 2BB.

The Company is listed on the AIM stock exchange.

These consolidated financial statements have been approved for issue by the Board of Directors on 24 March 2015.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. The new consolidation standards have been adopted in the year (IAS 27, 28 and IFRS 10, 11 and 12), none have a material impact other than that noted through IFRS 11. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, with the exception of derivatives which are included at fair value. A summary of the more important Group and Company accounting policies are set out below. The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions in these statements, particularly in relation to determining the useful economic life of assets, that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

2.2 Consolidation

The consolidated balance sheet includes the assets and liabilities of the company and its subsidiaries which are made up to 31 December 2014. Entities over which the Group has the ability to exercise control are accounted for as subsidiaries. Interests acquired in entities are consolidated from the effective date of acquisition and interests sold are consolidated up to the date of disposal. Balances between Group companies are eliminated; no profit is taken on sales between Group companies. Goodwill arising on the acquisition of interests in subsidiaries, representing the excess of consideration transferred over the Group's share of the fair values of identifiable assets, liabilities and contingent liabilities acquired, is capitalised as a separate item.

An entity is treated as a joint venture where the Group holds a long term interest and shares control under a contractual agreement. Following IFRS 11 becoming effective and the subsequent adoption by the company in January 2014, the company now accounts for its investment in joint ventures using the equity method in accordance with IAS 28. This replaces the proportionate consolidation method of accounting applied previously, and has also required the restatement of comparative numbers. See note 33 for details of joint ventures. The consolidated income statement includes the Group's share of the joint ventures' profit.

2.3 Judgements and estimates

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Critical judgements, estimates and assumptions that are applied in the preparation of the consolidated financial statements include:

Depreciation and amortisation

The Group exercises judgement to determine useful lives and residual values of intangibles, computer equipment, and fixtures, fittings and equipment. The assets are depreciated down to their residual values over their estimated useful lives.

Impairment

The value in use calculation uses cash flow projections based on financial forecasts for the next two years approved by management and extrapolated for a 15 year period or the useful economic life, whichever is the shorter. In each case it is assumed there will be no growth beyond 2016 and the cash flows of each acquisition are discounted at a rate of 10%, which approximates to the Group's weighted average cost of capital (see note 10).

2. Summary of significant accounting policies continued

Provisions

Provisions have been made for onerous leases and associated costs (see note 24) and for slow moving and obsolete stock. These provisions are estimates and the actual costs and timing of future cash flows are dependent on future events. The difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

Deferred consideration

The Company determines that where there is an obligation to pay consideration dependent on the sale of a product, and the Company can control whether the product is sold or not, the consideration is only recognised once a sale is made.

Consolidation of Joint Ventures

The Group owns 60% of the issued share capital of Unigreg Limited. The Group considered the existence of substantive participating rights held by the minority shareholder which provide that shareholder with a veto right over the significant financial and operating policies of Unigreg Ltd and determined that, as a result of these rights, the Group does not have control over the financial and operating policies of Unigreg Ltd, despite the Group's 60% ownership interests consequently the company is accounted for as a joint venture.

The Group owns 20% of the issued share capital of Synthasia International Company Limited ('Synthasia'). The Group considered the existence of substantive participating rights held by both the Group and another shareholder which provide both parties with a veto right over the significant financial and operating policies of Synthasia and determined that, as a result of these rights, Synthasia is accounted for as a joint venture.

In accordance with IFRS 11, the Group's investments made to date in joint arrangements are characterised as joint ventures in which the Group has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligation for underlying liabilities.

2.4 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, estimated returns, rebates and discounts and after eliminating sales within the Group and represents amounts invoiced to third parties in relation to the Group's sole principle activity namely the distribution of pharmaceutical products. Revenue is recognised when a Group entity has delivered products to the customer and confirmation of receipt is confirmed. The risks and rewards are transferred upon customers receiving the goods.

2.5 Foreign currency transactions

The consolidated financial statements are presented in sterling, which is the presentational currency of the Group and the functional currency of the parent Company. Foreign currency transactions by Group companies are booked at the exchange rate ruling on the date of the transaction. Foreign currency monetary assets and liabilities are retranslated into local currency at the rate of exchange ruling at the balance sheet date. Exchange differences are booked to the income statement.

2.6 Property, plant and equipment

Computer equipment, fixtures, fittings and equipment are stated at the cost of purchase less any provisions for depreciation and impairment. The rates generally applicable are:

Computer equipment	20% – 33.3% per annum, straight line
Fixtures, fittings and equipment	20% – 25% per annum, straight line

Material residual value estimates are updated as required, but at least annually, whether or not the asset is revalued.

2.7 Leases

Leasing agreements which transfer to the Group substantially all the benefits and risks of ownership are treated as finance leases, as if the asset had been purchased outright. The assets are included within computer equipment, fixtures, fittings and equipment and the capital element of the leasing commitments are shown as obligations under finance leases. Assets held under finance leases are depreciated on a basis consistent with similar owned assets or the lease term if shorter. The interest element of the lease rental is included in the income statement. All other leases are considered operating leases and the annual rentals are included in the income statement on a straight line basis over the lease term.

2.8 Goodwill

Goodwill represents the excess of the consideration transferred over the fair value of the Group's share of the identifiable net assets acquired. Goodwill is reviewed for impairment at least annually by assessing the recoverable amount of each acquisition, considered to be a cash-generating unit, to which the goodwill relates. The recoverable amount is the higher of fair value less costs to sell and value in use. When the recoverable amount of the cash-generating unit is less than the carrying amount an impairment loss is recognised. Any impairment is recognised immediately in the Group Income Statement and is not subsequently reversed.

2. Summary of significant accounting policies continued

2.9 Intangible assets

Acquired intangible assets

Intangible assets are stated at the lower of cost less provision for amortisation and impairment or the recoverable amount (explained further in note 10). Technical know-how and trademarks are deemed to have an indefinite useful life and are tested for impairment annually. Distribution licences are amortised over the current life of the licence on a straight line basis and are tested for impairment annually, if the licence period can be extended the useful life of the intangible asset shall include the renewal period only if there is evidence to support renewal by the entity without disproportionate cost. In determining the useful economic life of distribution rights each acquisition has been reviewed separately and consideration given to the period over which the Group expects to derive economic benefit.

Internally-generated intangible assets – Research and development expenditure

Research expenditure is charged to the Income Statement in the period in which it is incurred. Development expenditure is capitalised when it can be reliably measured and the project it is attributable to is separately identifiable, is technically feasible, demonstrates future economic benefit, and will be used or sold by the Group once completed.

The capitalised cost is amortised over the period during which the Group is expected to benefit and begins when the asset is ready for use.

Development costs are reviewed at least annually for impairment by assessing the recoverable amount of each cash-generating unit, to which the development costs relate. The recoverable amount is the higher of fair value less costs to sell and value in use. When the recoverable amount of the cash-generating unit is less than the carrying amount an impairment loss is recognised. Any impairment is recognised immediately in the Group Income Statement. Any reversal of a previously recorded impairment loss in a subsequent period would also be recognised immediately in the Group Income Statement and is not subsequently reversed.

Development costs not meeting the recognition criteria are expensed as incurred.

Impairment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill, other individual assets or cash-generating units that include goodwill, other intangible assets with an indefinite useful life, and those intangible assets not yet available for use are tested for impairment at least annually.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit. With the exception of goodwill and development costs, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

2.10 Inventories

Inventories are included at the lower of cost less any provision for impairment or net realisable value. Cost is determined on a first-in-first-out basis using the weighted average cost.

2.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from profit reported in the income statement because the former excludes items of income or expense that are either taxable or deductible in other years or that are never taxable or deductible, and it includes tax reliefs that are not included in the income statement. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are provided in full on temporary differences, and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax is provided using the rates of tax that are expected to apply in the period when the liability is settled or the asset is realised, based on rates that have been substantively enacted by the balance sheet date. Deferred tax assets and liabilities are not discounted. The Group jointly controls the sharing of profits in the joint venture and as such no deferred tax has been recognised on temporary differences.

2. Summary of significant accounting policies continued

2.12 Derivative financial instruments and hedging activities

Derivative financial instruments are used to manage exposure to market risk from treasury operations. The principal financial instrument used by the Group is interest rate swaps. The Group does not hold or issue derivative financial instruments for trading or speculative purposes. Derivative financial instruments are recognised in the balance sheet at fair value and then re-measured at subsequent reporting dates. The fair value is calculated by reference to market interest rates and supported by counterparty confirmation.

The interest rate swaps are designated as cash flow hedges.

The effective portion of changes in the fair value of derivative financial instruments that are designated as cash flow hedges is recognised in other comprehensive income, while the gain or loss relating to the ineffective portion is recognised immediately in the income statement. Changes in the fair value of derivative financial instruments that are not designated as cash flow hedges are recognised in the income statement as they arise.

2.13 Debt instruments

Debt instruments are initially stated at their fair value net of issue costs, and subsequently measured at amortised cost using the effective interest rate method.

Convertible Unsecured Loan Stock issued by the Company is regarded as compound financial instruments. Compound financial instruments are split and recorded respectively within each of its two components, equity and liability. The fair values of the liability component and the equity conversion component were determined at issuance of the bond. The equity component was determined as nil and the fair value of the liability component, included in long-term borrowings, was calculated using a market interest rate for an equivalent non-convertible bond.

2.14 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

2.15 Financial assets – loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and cash and cash equivalents in the balance sheet (note 2.16 and 2.17).

2.16 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect amounts due according to the original terms of the receivables.

2.17 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments, available with no penalty, with original maturities of three months or less, bank overdrafts and working capital facilities.

2.18 Employee benefits – share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense over the vesting period. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the Group Income Statement, with a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2. Summary of significant accounting policies continued

2.19 Equity

Equity comprises the following:

"Share capital" represents the nominal value of equity shares.

"Share premium" represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.

"Share option reserve" represents equity-settled share-based employee remuneration until such share options are exercised.

"Other reserves" represents the fair value of derivative financial instruments at the balance sheet date that are designated as cash flow hedges net of deferred tax, less amounts reclassified through other comprehensive income.

"Retained earnings" represents retained profit.

"Reverse takeover reserve" represents the difference between the fair value and nominal value of shares issued on a reverse takeover.

2.20 Investments

Investments in subsidiaries included in the Company's balance sheet are stated at cost less any provision for impairment.

2.21 Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, for which it is probable that a transfer of economic benefits will be required to settle the obligation and where a reliable estimate can be made of the amount of the obligation.

Where material, the provisions have been discounted to their present value.

2.22 Business combinations

Business combinations are accounted for using the acquisition accounting method. Identifiable assets, liabilities and contingent liabilities acquired are measured at fair value at acquisition date. The consideration transferred is measured at fair value and includes the fair value of any contingent consideration. The costs of acquisition are charged to the income statement in the period in which they are incurred.

2.23 New standards not yet applied

A number of new EU adopted standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2014 and have not been applied in preparing these financial statements. The following list is not comprehensive but includes the most significant to these financial statements:

- IFRS 9 'Financial Instruments' (2014), representing the completion of the IASB project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. The new standard introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and introduces a new 'expected credit loss' model for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting. The new standard is required to be applied for annual reporting periods beginning on or after 1 January 2018.
- IFRS 15 'Revenue from Contracts with Customers' replaces IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities.

The Group does not currently expect that adoption of these standards will have a significant effect on the financial position or consolidated results of the Group.

The Group continually reviews amendments to the standards made under the IASB's annual improvements project.

3. Segmental reporting

Operating segments

An operating segment is defined as a component of the entity:

i) that engages in business activities from which it may earn revenues and incur expenses,

ii) whose operating results are regularly reviewed by the entity's chief operating decision maker (CODM) to make decisions about the resources to be allocated to the segment and assess its performance, and

iii) for which discrete financial information is available.

For the year ended 31 December 2014 the Executive Team has been identified as the CODM.

Our management information system produces reports for the Executive Team grouping financial performance under the following business areas:

- Hydromol
- Secondary Care
- Community and Consumer Products
- Established Products
- International

All business areas are responsible for developing, marketing and distributing a range of pharmaceutical and other medical products. As permitted by IFRS 8, since these business areas are deemed to have similar economic characteristics and are similar, if not the same, in all of the following:

- business areas derive their revenue from the supply of pharmaceutical products,
- the production and distribution process is the same across all business areas,
- business areas supply to similar customers i.e. pharmaceutical distributors or pharmacies, and
- all business areas are subject to a similar regulatory environment.

The business areas have been aggregated into a single reportable segment, namely pharmaceuticals. Each month the CODM is presented with financial information prepared in accordance with IFRS as adopted in the EU and the accounting policies set out in note 2 to these financial statements. As such the financial information provided to the CODM regarding the operating segment has already been disclosed in the financial statements.

Geographical information

The following revenue information is based on the geographical location of the customer:

	Year ended 31 December 2014 £000s	Year ended 31 December 2013 £000s
United Kingdom	**36,166**	38,890
Ireland	**3,116**	3,626
Rest of the world	**4,254**	2,759
Statutory Revenue	**43,536**	45,275
China joint ventures	**1,941**	238
Total revenue	**45,477**	45,513

All non-current assets are located within the United Kingdom.

3. Segmental reporting continued

Major customers

During the year there were 2 (year ended 31 December 2013: 2) customers who separately comprised 10% or more of revenue.

	Year ended 31 December 2014 £000s	Year ended 31 December 2013 £000s
Major customer 1	**15,133**	15,252
Major customer 2	**10,577**	10,937
	25,710	26,189

4. Profit before taxation

Profit before taxation is stated after charging/(crediting):

	Year ended 31 December 2014 £000s	Year ended 31 December 2013 £000s
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**8**	8
Fees payable by the Group to the Company's auditor for other services:		
– The audit of the Company's subsidiaries	**44**	38
– Other advisory services	**33**	112
Amortisation of intangible assets	**488**	422
Impairment of intangible assets	**622**	-
Share options charge	**571**	632
Depreciation of plant, property and equipment	**307**	266
Operating lease rentals	**97**	97
(Profit)/Loss on foreign exchange transactions	**(28)**	72

5. Finance costs

	Year ended 31 December 2014 £000s	Year ended 31 December 2013 Restated £000s
Interest payable and similar charges		
On loans and overdrafts	**(968)**	(1,222)
Amortised finance issue costs	**(104)**	(22)
Notional interest	**(18)**	(37)
	(1,090)	(1,281)
Interest income	**48**	50
Other finance income/(charges)		
Foreign exchange movement on euro denominated debt	**28**	(72)
	28	(72)
Finance costs – net	**(1,014)**	(1,303)

Notional interest relates to the unwinding of the discount applied to provisions (see note 24).

6. Directors and employees

Employee benefit expenses for the Group during the period were as follows:

	Year ended 31 December 2014 £000s	Year ended 31 December 2013 £000s
Wages and salaries	**4,541**	4,691
Social security costs	**556**	639
Other pension costs (note 30)	**327**	307
Share-based employee remuneration (note 26)	**571**	632
	5,995	6,269

The average number of employees of the Group during the period was:

	Year ended 31 December 2014	Year ended 31 December 2013
Management and administration	**74**	72

Remuneration in respect of Directors (including pension) was as follows:

	Year ended 31 December 2014 £000s	Year ended 31 December 2013 £000s
Emoluments	**948**	1,045
	948	1,045

Gain on share options recognised by directors during the year was £nil (2013: £212,920).

For additional disclosures please refer to Directors' Remuneration section of the Directors' Report.

The amounts set out above include remuneration in respect of the highest paid Director as follows:

	Year ended 31 December 2014 £000s	Year ended 31 December 2013 £000s
Emoluments for qualifying services	**226**	265

During the period contributions were paid to defined contribution schemes for four directors (year ended 31 December 2013: four).

Key management of the Group are the Executive Team. Benefit expenses in respect of the key management was as follows:

	Year ended 31 December 2014 £000s	Year ended 31 December 2013 £000s
Short term employee benefits	**852**	986
Share-based payments	**125**	121
Post-employment benefits	**42**	56
	1,019	1,163

Average number of members of the CODM (the Executive Team) for the year ended 31 December 2014 was four (year ended 31 December 2013: four).

7. Taxation

Analysis of charge in period.

	Year ended 31 December 2014 £000s	Year ended 31 December 2013 £000s
United Kingdom corporation tax at 21.5% (2013: 23.25%)		
In respect of current period	**1,870**	2,242
Adjustment in respect of prior periods	**(38)**	106
	1,832	2,348
Deferred tax (see note 23)		
Origination and reversal of temporary differences	**(60)**	77
Taxation	**1,772**	2,425

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	Year ended 31 December 2014 £000s	Year ended 31 December 2013 £000s
Profit on ordinary activities before tax	**10,157**	12,009
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 21.5% (2013: 23.25%)	**2,183**	2,792
Effect of:		
Non-deductible expenses	**182**	139
Attributable to joint venture	**(69)**	(11)
Adjustment in respect of prior period	**(38)**	106
Impact of reduction in UK tax rate on deferred tax liability	**(300)**	(597)
Other differences	**(186)**	(4)
Total taxation	**1,772**	2,425

A number of changes to the UK Corporation tax system were announced in the Finance Act 2012. The main rate of corporation tax was reduced from 24% to 23% from 1 April 2013. Further reductions to the main rate reduced the rate by 2% per annum to 21% from 1 April 2014 and it will reduce by another 1% to 20% from 1 April 2015. At the balance sheet date the substantively enacted rate was 20% (2013: 21%).

8. Dividends

	Pence/share	**Year ended 31 December 2014 £000s**	Pence/share	Year ended 31 December 2013 £000s
Amounts recognised as distributions to owners in the year				
Interim dividend for the prior financial year	**0.303**	**800**	0.275	666
Final dividend for the prior financial year	**0.605**	**1,598**	0.550	1,374
		2,398		2,040
Interim dividend for the current financial year	**0.333**	**880**	0.303	800

The proposed final dividend of 0.667 pence per share for the current financial year was approved by the Board of Directors on 24 March 2015 and is subject to the approval of shareholders at the Annual General Meeting. The proposed dividend has not been included as a liability as at 31 December 2014 in accordance with IAS 10 Events After the Balance Sheet Date. The interim dividend for the current financial year was paid on 15 January 2015. Subject to shareholder approval, the final dividend will be paid on 15 July 2015 to shareholders who are on the register of members on 19 June 2015.

9. Earnings per share (EPS)

Basic EPS is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year. For diluted EPS, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares.

A reconciliation of the weighted average number of ordinary shares used in the measures is given below:

	Year ended 31 December 2014	Year ended 31 December 2013
For basic EPS calculation	**264,148,367**	250,836,337
Employee share options	**1,454,986**	2,020,036
Conversion of Convertible Unsecured Loan Stock (CULS)	**-**	12,154,481
For diluted EPS calculation	**265,603,353**	265,010,854

The adjusted basic EPS is intended to demonstrate recurring elements of the results of the Group before exceptional items.
A reconciliation of the earnings used in the different measures is given below:

	Year ended 31 December 2014 £000s	Year ended 31 December 2013 £000s
Earnings for basic EPS	**8,385**	9,584
Exceptional items	**622**	-
Tax effect of exceptional items	**(124)**	-
For adjusted EPS	**8,883**	9,584
Earnings for basic EPS	**8,385**	9,584
Interest saving on conversion of CULS	**-**	204
Tax effect of interest saving on conversion of CULS	**-**	(47)
Earnings for diluted EPS	**8,385**	9,741
Earnings for adjusted EPS	**8,883**	9,584
Interest saving on conversion of CULS	**-**	204
Tax effect of interest saving on conversion of CULS	**-**	(47)
Earnings for diluted adjusted EPS	**8,883**	9,741

The resulting EPS measures are:

	Year ended 31 December 2014 Pence	Year ended 31 December 2013 Pence
Basic EPS	**3.17**	3.82
Diluted EPS	**3.16**	3.68
Adjusted basic EPS	**3.36**	3.82
Adjusted diluted EPS	**3.34**	3.68

10. Intangible assets

The Group	Goodwill on consolidation £000s	Purchased Goodwill £000s	Technical know-how, trademarks and distribution rights £000s	Development costs £000s	Total £000s
Cost					
At 1 January 2014	1,144	2,449	85,687	373	89,653
Additions	-	-	2,817	58	2,875
At 31 December 20134	**1,144**	**2,449**	**88,504**	**431**	**92,528**
Amortisation and impairment					
At 1 January 2014	-	-	2,543	-	2,543
Amortisation for the year	-	-	488	-	488
Impairment for the year	-	-	622	-	622
At 31 December 2014	**-**	**-**	**3,653**	**-**	**3,653**
Net book amount					
At 31 December 2014	**1,144**	**2,449**	**84,851**	**431**	**88,875**
At 1 January 2014	1,144	2,449	83,145	373	87,111

Goodwill on consolidation

The goodwill on consolidation arose on the acquisition of Dermapharm Ltd, which took place during the year ended 29 February 2004.

Purchased goodwill

During the year ended 31 December 2010, the Group completed the purchase of the trade and certain assets of Cambridge Laboratories (Ireland) Limited and Cambridge Laboratories Limited. The goodwill of £0.6m that arose on acquisition reflects Alliance's entry into the oncology market with an established brand name and sales force.

Goodwill of £1.85m arose on acquisition of Opus Group Holdings Limited in the year ended 31 December 2012.

Technical know-how, trademarks and distribution rights

Acquired technical knowhow, trademarks and distribution rights when purchased are assessed to ensure they meet a set of criteria including an established and stable sales history. The products are generally in niche areas where there is limited foreseeable prospect of erosion of sales and they require little or no promotion to maintain sales.

The following acquisition activity took place in the year:

- On 14 January 2014, the Company acquired the rights to the thyroid product Irenat from subsidiaries of Bayer AG ("Bayer") for a consideration of €3.3m. Irenat, a sodium perchlorate monohydrate, is marketed in Germany and is mainly used for diagnosing and treating hyperthyroidism. In the 12 months to October 2013, total sales of Irenat by Bayer were €0.8m and the gross margin generated was €0.5m.

The consideration value for the Irenat acquisition was payable on completion. The acquisition was funded from available cash and existing facilities. £23.75 million was undrawn on the Group's acquisition facilities at year end.

Impairment

As explained in note 2.8 and 2.9 all intangible assets are stated at the lower of cost less provision for amortisation and impairment or the recoverable amount.

The Board decided to write down the intangible asset for Pavacol-D Syrup, originally purchased for £622,000, to £Nil to reflect the uncertainty in being able to bring this product back into supply. An impairment charge of £622,000 is shown as an exceptional item in the Consolidated income statement.

Goodwill (allocated across cash-generating units that are expected to benefit from it), indefinite life assets and development costs are tested for impairment annually, or more frequently if there are indications that amounts might be impaired. The impairment test involves determining the recoverable amount of the relevant asset or cash-generating unit, which corresponds to the higher of the fair value less costs to sell or its value in use.

10. Intangible assets continued

The value in use calculation considers each asset or cash generating unit on a case by case basis and uses cash flow projections based on financial forecasts for the next two years, which are based on historic sales trends and management's sales growth assumptions. These forecasts are approved by management and extrapolated for a 15 year period or the useful economic life, whichever is the shorter.

The key assumptions on which cash flow projections are made are:

- There will be no growth beyond 2016;
- Cash flows are discounted at an appropriate rate. The discount rates consider market information and specific circumstances of each asset or cash-generating unit. A rate of 10%, which approximates to the Group's weighted average cost of capital, is considered appropriate for all assets; and
- The CODM considers 15 years to be a sufficient period to represent the indefinite useful economic lives of the products.

The value in use calculations for assets and cash generating units, when tested with assumptions beyond a reasonable range, did not result in the recoverable amounts falling below their carrying value for the remaining intangible assets excluding Pavacol-D Syrup.

Development projects are reviewed as to the likelihood of their completion and valued using a discounted cash flow, using appropriate risk factors, to assess whether the project is impaired.

A new generic substitution and reference pricing regime is in the process of being implemented in the Republic of Ireland by the Health Products Regulatory Authority (HPRA). In 2014 the HPRA proposed that Nu-Seals be included on a list of interchangeable medicines. The Company has made representations to the HPRA explaining why Nu-Seals should not be included on this list. The Board's view is that it is more likely than not that Nu-Seals will not be included on the list of interchangeable medicines and the related intangible asset of £9.1m is not impaired. The recoverable amount, based on value in use, is estimated at £11.6m. The key assumptions in arriving at the value in use are that the Nu-Seals' volumes will fall by around 30% and that pricing will not change. The intangible asset could be impaired if volumes fell by more than 50%, or if pricing fell by more than 22%. If Nu-Seals were to be included on the list of interchangeable medicines, pricing may fall by 58%.

The Group	Goodwill on consolidation £000s	Purchased Goodwill £000s	Technical know-how, trademarks and distribution rights Restated £000s	Development costs £000s	Total Restated £000s
Cost					
At 1 January 2013	1,144	2,449	76,157	310	80,060
Additions	-	-	9,534	63	9,597
Disposals	-	-	(4)	-	(4)
At 31 December 2013	1,144	2,449	85,687	373	89,653
Amortisation and impairment					
At 1 January 2013	-	-	2,120	-	2,120
Amortisation for the year	-	-	422	-	422
At 31 December 2013	-	-	2,542	-	2,542
Net book amount					
At 31 December 2013	1,144	2,449	83,145	373	87,111
At 1 January 2013	1,144	2,449	74,037	310	77,940

10. Intangible assets continued

The Group	Goodwill on consolidation £000s	Purchased Goodwill £000s	Technical know-how, trademarks and distribution rights Restated £000s	Development costs £000s	Total Restated £000s
Cost					
At 1 January 2012	1,144	600	63,780	203	65,727
Additions	-	1,849	12,377	107	14,333
At 31 December 2012	1,144	2,449	76,157	310	80,060
Amortisation and impairment					
At 1 January 2012	-	-	1,547	-	1,547
Amortisation for the year	-	-	573	-	573
At 31 December 2012	-	-	2,120	-	2,120
Net book amount					
At 31 December 2012	1,144	2,449	74,037	310	77,940
At 1 January 2012	1,144	600	62,233	203	64,180

11. Property, plant and equipment

The Group	Computer equipment £000s	Fixtures, fittings and equipment £000s	Total £000s
Cost			
At 1 January 2014	479	989	1,468
Additions	105	6	111
At 31 December 2014	**584**	**995**	**1,579**
Depreciation			
At 1 January 2014	211	665	876
Provided in the year	111	196	307
At 31 December 2014	**322**	**861**	**1,183**
Net book amount			
At 31 December 2014	**262**	**134**	**396**
At 1 January 2014	268	324	592

11. Property, plant and equipment continued

The Group	Computer equipment £000s	Fixtures, fittings and equipment £000s	Total £000s
Cost			
At 1 January 2013	222	952	1,174
Additions	257	41	298
Disposals	-	(4)	(4)
At 31 December 2013	479	989	1,468
Depreciation			
At 1 January 2013	143	467	610
Provided in the year	68	198	266
At 31 December 2013	211	665	876
Net book amount			
At 31 December 2013	268	324	592
At 1 January 2013	79	485	564

The Group	Computer equipment £000s	Fixtures, fittings and equipment £000s	Total £000s
Cost			
At 1 January 2012	271	902	1,173
Additions	18	55	73
Disposals	(67)	(5)	(72)
At 31 December 2012	222	952	1,174
Depreciation			
At 1 January 2012	127	281	408
Provided in the year	83	191	274
Eliminated on disposals	(67)	(5)	(72)
At 31 December 2012	143	467	610
Net book amount			
At 31 December 2012	79	485	564
At 1 January 2012	144	621	765

Notes to the Financial Statements continued

for year ended 31 December 2014

12. Investments

The Company	Investment in subsidiary undertakings £000s
Cost	
At 1 January 2014	47,119
Additions	4,817
At 31 December 2014	**51,936**
At 1 January 2013	37,618
Additions	9,501
At 31 December 2013	47,119
At 1 January 2012	36,402
Additions	1,216
At 31 December 2012	37,618

The additions in the year relate to the increased investment the Company has made in Alliance Pharmaceuticals Limited to support the acquisition of new product licenses.

The subsidiary and associated undertakings where the Group held 20% or more of the equity share capital at 31 December 2014 are shown below:

Company	Country of registration or incorporation	Shares held Class	% owned	Nature of business
Alliance Pharmaceuticals Limited	United Kingdom	Ordinary	100	Pharmaceutical sales
Dermapharm Limited	United Kingdom	Ordinary	100	Dormant
Alliance Health Limited	United Kingdom	Ordinary	100	Dormant
Alliance Consumer Health Limited	United Kingdom	Ordinary	100	Dormant
Alliance Generics Limited	United Kingdom	Ordinary	100	Dormant
Alliance Healthcare Limited	United Kingdom	Ordinary	100	Dormant
Caraderm Limited	Northern Ireland	Ordinary	100	Dormant
Unigreg Limited	British Virgin Islands	Ordinary	60	Pharmaceutical sales
Unigreg Worldwide Limited	United Kingdom	Ordinary	60	Dormant
Opus Group Holdings Limited	United Kingdom	Ordinary	100	Dormant
Opus Healthcare Limited	United Kingdom	Ordinary	100	Dormant
Opus Healthcare Limited	Republic of Ireland	Ordinary	100	Non-trading
Alliance Pharmaceuticals GmbH	Germany	Ordinary	100	Non-trading
Alliance Pharmaceuticals SAS	France	Ordinary	100	Pharmaceutical sales
Synthasia International Company Ltd	Hong Kong	Ordinary	20	Pharmaceutical sales
Synthasia Shanghai Co. Ltd	China	Ordinary	20	Pharmaceutical sales

All subsidiary undertakings prepare accounts to 31 December, except Opus Healthcare Limited (Republic of Ireland) which prepares accounts to 28 February and Unigreg Worldwide Limited which prepares accounts to 31 May. Alliance Pharmaceuticals Limited, Alliance Pharmaceuticals GmbH and Alliance Pharmaceuticals SAS are the only investments held directly by Alliance Pharma plc. All other investments are held by Alliance Pharmaceuticals Limited with the exception of Opus subsidiaries which are held by Opus Group Holdings Limited, Unigreg Worldwide Limited which is held by Unigreg Limited, and Synthasia Shanghai Co. Ltd which is held by Synthasia International Company Ltd.

13. Inventories

The Group	31 December 2014 £000s	31 December 2013 £000s	1 January 2013 £000s
Finished goods and materials	**5,914**	5,468	5,393

Inventory costs expensed through the income statement during the year were £15,964,000 (year ended 31 December 2013: £15,816,000* restated for IFRS 11). During the year £61,774 (2013: £157,217) was recognised as an expense relating to the write-down of inventory to net realisable value.

14. Trade and other receivables

	The Group			The Company		
	31 December 2014 £000s	31 December 2013 £000s	1 January 2013 £000s	**31 December 2014 £000s**	31 December 2013 £000s	1 January 2013 £000s
Trade receivables	**6,645**	9,131	8,945	**-**	-	-
Other receivables	**669**	536	212	**17**	38	10,011
Prepayments and accrued income	**453**	804	350	**8**	12	10
Amounts owed by joint venture	**555**	170	-	**-**	-	-
	8,322	10,641	9,507	**25**	50	10,021

Dividends declared but not paid between Alliance Pharmaceuticals Limited and the Company of £nil for the year ended 31 December 2014 (for the year ended 31 December 2013: £nil, for the year ended 31 December 2012: £10m) are included within other receivables.

The ageing of trade receivables at 31 December is detailed below:

	31 December 2014 £000s	31 December 2013 £000s	1 January 2013 £000s
Not past due	**4,105**	4,292	4,869
Due 30-31 December	**1,415**	3,994	3,782
Past due 3 days to 91 days	**964**	662	339
Past 91 days	**161**	183	(45)
	6,645	9,131	8,945

For the year ended 31 December 2014 £1,545,000 was received by the 9th January 2015. For the year ended 31 December 2013 £3,384,000 was received by the 10 January 2014. For the year ended 31 December 2012 £3,149,000 was received by the 11 January 2013.

Trade and other receivables are stated net of estimated allowances for doubtful debts. As at 31 December 2014, trade and other receivables of £nil (for the year ended 31 December 2013: £108,000) were past due and impaired.

Our policy requires customers to pay us in accordance with agreed payment terms. Depending on the geographical location, our settlement terms are generally due within 30 or 60 days from the end of the month of sale and do not bear any effective interest rate.

15. Cash and cash equivalents

	The Group			The Company		
	31 December 2014 £000s	31 December 2013 £000s	1 January 2013 £000s	**31 December 2014 £000s**	31 December 2013 £000s	1 January 2013 £000s
Cash at bank and in hand	**1,434**	687	4,614	**12**	12	182
Working capital facility	**(414)**	(2,125)	(1)	**-**	-	-
	1,020	(1,438)	4,613	**12**	12	182

Notes to the Financial Statements continued

for year ended 31 December 2014

16. Major non-cash transactions

Principal non-cash transactions include finance issue costs amortised in the income statement during the year of £104,000 (year ended 31 December 2013: £22,000) and an exchange movement of £28,000 (year ended 31 December 2013: £72,000) (see note 5). Interest rate swaps designated as cash flow hedges resulted in a £572,000 loss (year ended 31 December 2013: £443,000 gain) to other comprehensive income. As a consequence of the onerous contracts a notional interest charge representing the unwinding of the discounted value of the onerous contract provision of £18,000 (year ended 31 December 2013: £37,000) was recognised in the income statement. Amortisation and impairment of intangible assets resulted in a total charge of £1,110,000 (year ended 31 December 2013: £422,000) being recognised in the income statement.

17. Trade and other payables – current

	The Group			The Company		
	31 December 2014 £000s	31 December 2013 £000s	1 January 2013 £000s	**31 December 2014 £000s**	31 December 2013 £000s	1 January 2013 £000s
Trade payables	**1,693**	1,118	902	**-**	19	-
Other taxes and social security costs	**969**	1,069	1,225	**-**	-	-
Accruals and deferred income	**4,065**	6,028	6,873	**183**	190	370
Other payables	**193**	316	940	**-**	-	20
	6,920	8,531	9,940	**183**	209	390

18. Financial liabilities – borrowings

	The Group			The Company		
Current	**31 December 2014 £000s**	31 December 2013 £000s	1 January 2013 £000s	**31 December 2014 £000s**	31 December 2013 £000s	1 January 2013 £000s
Bank loans due within one year or on demand:						
Secured (a)	**3,000**	3,000	6,250	**-**	-	-
Finance issue costs	**(105)**	(105)	-	**-**	-	-
	2,895	2,895	6,250	**-**	-	-
Convertible debt (note 19)	**-**	-	4,189	**-**	-	4,189
	2,895	2,895	10,439	**-**	-	4,189

	The Group			The Company		
Non-current	**31 December 2014 £000s**	31 December 2013 £000s	1 January 2013 £000s	**31 December 2014 £000s**	31 December 2013 £000s	1 January 2013 £000s
Bank loans:						
Secured (a)	**19,500**	21,250	20,225	**-**	-	-
Finance issue costs	**(265)**	(369)	-	**-**	-	-
	19,235	20,881	20,225	**-**	-	-
Convertible debt (note 19)	**-**	-	-	**-**	-	-
	19,235	20,881	20,225	**-**	-	-

(a) The bank loans are secured by a fixed and floating charge over the Company's and Group's assets.

During the year £2.75m was drawn down on the revolving credit facility to fund acquisitions in the year.

19. Convertible debt

All outstanding convertible unsecured loan stock was converted into ordinary shares during 2013. The conversion rate was 21p per ordinary share.

The Company received conversion notices in respect of £nil (year ended 31 December 2013: £4,211,255) nominal value of the Company's 8% Convertible Unsecured Loan Stock. Accordingly, the Company has allotted nil (2013: 20,053,570) ordinary shares of 1p each in the Company.

20. Other non-current liabilities

	The Group			The Company		
	31 December 2014 £000s	31 December 2013 £000s	1 January 2013 £000s	**31 December 2014 £000s**	31 December 2013 £000s	1 January 2013 £000s
Deferred consideration for acquisitions	**-**	-	20	**-**	-	-
	-	-	20	**-**	-	-

Deferred consideration of £nil (year ended 31 December 2013: £nil, year ended 31 December 2012: £20,000) relates to the acquisition of Dermapharm Limited which took place in the year ended 29 February 2004.

21. Financial instruments

The Group uses financial instruments comprising borrowings, some cash and liquid resources, and various items such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

The Group also has a bank facility denominated in euros. The purpose of this facility is to manage the currency risk arising from the Group's operations. The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. These policies have remained unchanged from the previous year.

Interest rate risk

The Group finances its operations through a mixture of debt and equity.

The Group uses interest rate swaps to reduce the risk arising from changes in interest rates. These swaps are re-measured to fair value at each period end by Lloyds Bank. The valuations are indicative values based on mid-market levels as at the close of business on the balance sheet date.

The Group has in place interest rate swaps with a nominal value of £20m (year ended 31 December 2013: £20m, year ended 31 December 2012: £nil) to convert the floating interest rate charge to a fixed rate interest charge.

The interest rate exposure of the financial liabilities of the Group at the period end was:

	Fixed £000s	**Floating £000s**	**Total £000s**
At 31 December 2014			
Bank loans – sterling denominated	-	22,500	22,500
Interest rate hedges	20,000	(20,000)	-
Sterling subtotal	**20,000**	**2,500**	**22,500**
Working capital facility	-	414	414
Total financial liabilities	**20,000**	**2,914**	**22,914**
Unamortised issue costs	-	(370)	(370)
Net book value of financial liabilities	**20,000**	**2,544**	**22,544**

21. Financial instruments continued

	Fixed £000s	Floating £000s	Total £000s
At 31 December 2013			
Bank loans – sterling denominated	-	24,250	24,250
Interest rate hedges	20,000	(20,000)	-
Sterling subtotal	20,000	4,250	24,250
Working capital facility – euro denominated	-	2,124	2,124
Total financial liabilities	20,000	6,374	26,374
Unamortised issue costs	-	(474)	(474)
Net book value of financial liabilities	20,000	5,900	25,900
At 31 December 2012			
Bank loans – sterling denominated	-	26,475	26,475
Convertible loan stock	4,211	-	4,211
Sterling subtotal	4,211	26,475	30,686
Working capital facility – euro denominated	-	1	1
Euro subtotal	-	1	1
Total financial liabilities	4,211	26,475	30,687
Unamortised issue costs	(22)	-	(22)
Net book value of financial liabilities	4,189	26,475	30,665

	Fixed rate financial liabilities	
	Weighted average fixed rate %	Weighted average period for which rate is fixed
At 31 December 2014		
Sterling	**3.19**	**3.27 years**
At 31 December 2013		
Sterling	3.19	4.27 years
At 1 January 2013		
Sterling	8.00	0.92 years

The Sterling floating rate borrowings bear interest at a rate based on LIBOR.

The Group balance sheet also includes financial assets in the form of cash at bank and in hand totalling £1,434,000 (31 December 2013: £687,000, 31 December 2012: £4,613,000) which are exposed to floating interest rates based on LIBOR.

A 0.5% increase in LIBOR would reduce pre-tax profits by approximately £20,000 in 2015. A 0.5% decrease would have the opposite effect.

21. Financial instruments continued

Currency risk

Approximately 10% of the Group's sales are to overseas customers in the EU. These sales are invoiced in euros. Certain expenses of the Group are also in euros. The level of euro expenses broadly matches the level of euro income. Approximately 3% of the Group's sales are invoiced in other currencies.

All other Group sales and all but a small proportion of other Group expenses are denominated in sterling.

A 5% weakening of sterling against the euro would result in a £61,000 decrease in predicted pre-tax profits, while a 5% strengthening of sterling would have the opposite effect.

Liquidity risk

The Group seeks to manage financial risk, to ensure sufficient liquidity is available to meet the identifiable needs of the Group and to invest cash assets safely and profitably. The Group's long-term funding is provided by bank loans with a repayment schedule of £750,000 per quarter from December 2013. The existing bank facilities are due for renewal in June 2018. The Group's policy is to re-finance the debt well in advance of the term loan expiry. Short-term flexibility is achieved through the use of the £5,000,000 working capital facility.

Fair value measurement

Effective from 1 January 2013, the Group adopted the amendments to IFRS13 for financial instruments that are measured in the Group balance sheet at fair value. This requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Lloyds Bank performs valuations of financial items for financial reporting purposes. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-base information. Valuation processes and fair value changes are discussed among the audit committee and the finance team at least every year, in line with the Group's reporting dates.

The valuation techniques used for instruments categorised in Level 2 are described below:

Interest rate swaps (Level 2)

The Group's interest rate swaps are not traded in active markets. These have been fair valued using observable interest rates. The effects of non-observable inputs are not significant for interest rate swaps.

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2014:

Liabilities	Level 1 £000s	Level 2 £000s	Level 3 £000s	Total £000s
Derivative financial instruments:				
Interest rate swaps	**-**	**129**	**-**	**129**
	-	**129**	**-**	**129**

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2013:

Assets	Level 1 £000s	Level 2 £000s	Level 3 £000s	Total £000s
Derivative financial instruments:				
Interest rate swaps	-	443	-	443
	-	443	-	443

The following table presents the Group's financial assets and liabilities that are measured at fair value at 1 January 2013:

Liabilities	Level 1 £000s	Level 2 £000s	Level 3 £000s	Total £000s
Derivative financial instruments:				
Interest rate swaps	-	-	-	-
	-	-	-	-

21. Financial instruments continued

The maturity profile of the Group's bank loans (capital only) at the year end is as follows:

	At 31 December 2014 £000s	At 31 December 2013 £000s	At 1 January 2013 £000s
Due within:			
One year	**3,000**	3,000	6,250
More than one year, not more than two years	**3,000**	3,000	20,225
More than two years, not more than three years	**3,000**	3,000	-
More than three years	**13,500**	15,250	-
	22,500	24,250	26,475

The maturity profile of the Group's financial gross liabilities (capital and interest) at the year end is as follows:

	31 December 2014				
	In one year, or less £000s	**In more than one year, but not more than two £000s**	**In more than two years, but not more than five £000s**	**In more than five years £000s**	**Total £000s**
Trade and other payables	**6,920**	**-**	**-**	**-**	**6,920**
Working capital facility	**414**	**-**	**-**	**-**	**414**
Bank loans	**3,642**	**3,548**	**16,950**	**-**	**24,140**
Convertible loan stock	**-**	**-**	**-**	**-**	**-**
Onerous contracts	**227**	**-**	**-**	**-**	**227**
	11,203	**3,548**	**16,950**	**-**	**31,701**

	31 December 2013				
	In one year, or less Restated £000s	In more than one year, but not more than two £000s	In more than two years, but not more than five £000s	In more than five years £000s	Total Restated £000s
Trade and other payables	8,531	-	-	-	8,531
Working capital facility	2,125	-	-	-	2,125
Bank loans	3,737	3,642	19,436	-	26,815
Convertible loan stock	-	-	-	-	-
Onerous contracts	190	199	-	-	389
	14,583	3,841	19,436	-	37,860

21. Financial instruments continued

	In one year, or less Restated £000s	In more than one year, but not more than two £000s	1 January 2013 In more than two years, but not more than five £000s	In more than five years £000s	Total Restated £000s
Trade and other payables	9,940	20	-	-	9,960
Working capital facility	1	-	-	-	1
Bank loans	6,957	20,746	-	-	27,703
Convertible loan stock	4,436	-	-	-	4,436
Onerous contracts	197	182	182	-	561
	21,531	20,948	182	-	42,661

The maturity profile of the Company's financial gross liabilities (capital and interest) at the year end is as follows:

	31 December 2014		31 December 2013		1 January 2013	
	Trade payables and other £000s	**Bank borrowings and other loans £000s**	Trade payables and other £000s	Bank borrowings and other loans £000s	Trade payables and other £000s	Bank borrowings and other loans £000s
In one year, or less	**183**	**-**	209	-	390	4,436
	183	**-**	209	-	390	4,436

The Group had £23,750,000 (31 December 2013: £25,000,000, 1 January 2013: £11,499,000) undrawn committed borrowing facilities available at 31 December 2014 and £4,500,000 of working capital facility available.

Classification of the Group's financial instruments is set out below:

As at 31 December 2014	**Loans and receivables £000s**	**Non-financial assets £000s**	**Total £000s**
Financial assets			
Cash	**1,434**	**-**	**1,434**
Trade and other receivables	**7,869**	**453**	**8,322**
	9,303	**453**	**9,756**

As at 31 December 2014	**Held for trading £000s**	**Other financial liabilities £000s**	**Liabilities not within scope of IAS39 £000s**	**Total £000s**
Financial liabilities				
Cash and cash equivalents	**-**	**414**	**-**	**414**
Long term financial liabilities (exc. issue costs)	**-**	**19,500**	**-**	**19,500**
Convertible debt	**-**	**-**	**-**	**-**
Other liabilities	**-**	**-**	**-**	**-**
Financial liabilities (exc. issue costs)	**-**	**3,000**	**-**	**3,000**
Trade and other payables	**-**	**5,951**	**969**	**6,920**
Corporation tax	**-**	**-**	**959**	**959**
Onerous contracts – current	**-**	**-**	**227**	**227**
	-	**28,865**	**2,155**	**31,020**

21. Financial instruments continued

As at 31 December 2013	Loans and receivables £000s	Non-financial assets £000s	Total £000s
Financial assets			
Cash	687	-	687
Trade and other receivables	9,836	805	10,641
	10,523	805	11,328

As at 31 December 2013	Held for trading £000s	Other financial liabilities £000s	Liabilities not within scope of IAS39 £000s	Total £000s
Financial liabilities				
Cash and cash equivalents	-	2,125	-	2,125
Long term financial liabilities	-	21,250	-	21,250
Financial liabilities	-	3,000	-	3,000
Trade and other payables	-	7,462	1,069	8,531
Corporation tax	-	-	1,154	1,154
Onerous contracts – non current	-	-	199	199
Onerous contracts – current	-	-	190	190
	-	33,837	2,612	36,449

As at 1 January 2013	Loans and receivables £000s	Non-financial assets £000s	Total £000s
Financial assets			
Cash	4,613	-	4,613
Trade and other receivables	9,157	350	9,507
	13,770	350	14,120

As at 1 January 2013	Held for trading £000s	Other financial liabilities £000s	Liabilities not within scope of IAS39 £000s	Total £000s
Financial liabilities				
Cash and cash equivalents	-	1	-	1
Long term financial liabilities	-	20,225	-	20,225
Convertible debt	-	4,189	-	4,189
Other liabilities	-	20	-	20
Financial liabilities	-	6,250	-	6,250
Trade and other payables	-	8,715	1,225	9,940
Corporation tax	-	-	1,322	1,322
Onerous contracts – non current	-	-	364	364
Onerous contracts – current	-	-	197	197
	-	39,400	3,108	42,508

21. Financial instruments continued

Classification of the Company's financial instruments is set out below:

As at 31 December 2014	**Loans and receivables £000s**	**Non-financial assets £000s**	**Total £000s**
Financial assets			
Cash	**12**	**-**	**12**
Trade and other receivables	**-**	**25**	**25**
	12	**25**	**37**

As at 31 December 2014	**Other financial liabilities £000s**	**Liabilities not within scope of IAS39 £000s**	**Total £000s**
Financial liabilities			
Trade and other payables	**1**	**182**	**183**
	1	**182**	**183**

As at 31 December 2013	Loans and receivables £000s	Non-financial assets £000s	Total £000s
Financial assets			
Cash	12	-	12
Trade and other receivables	-	50	50
	12	50	62

As at 31 December 2013	Other financial liabilities £000s	Liabilities not within scope of IAS39 £000s	Total £000s
Financial liabilities			
Trade and other payables	19	190	209
	19	190	209

As at 1 January 2013	Loans and receivables £000s	Non-financial assets £000s	Total £000s
Financial assets			
Cash	182	-	182
Trade and other receivables	-	10,021	10,021
	182	10,021	10,203

As at 1 January 2013	Other financial liabilities £000s	Liabilities not within scope of IAS39 £000s	Total £000s
Financial liabilities			
Convertible debt	4,189	-	4,1890
Trade and other payables	390	-	390
Corporation Tax	-	4	4
	4,579	4	4,583

Notes to the Financial Statements continued
for year ended 31 December 2014

22. Derivative financial instruments

	31 December 2014 Liabilities £000s	31 December 2013 Assets £000s	1 January 2013 Liabilities £000s
Interest rate swap – cash flow hedge	**(129)**	443	-
	-	443	-
Current portion	**-**	-	-
Non-current portion	**(129)**	443	-

The cash flow hedges were tested for effectiveness during the year and were found to be highly effective. The ineffective element was immaterial. The hedge and interest on the bank debt are settled on a quarterly basis on the same date and measured against the same benchmark, namely 3 month sterling LIBOR. The amount recognised through the income statement in respect of interest rate swaps during the year was a charge of £140,000 (year ended 31 December 2013: £105,000 charge).

23. Deferred tax provision

The Group	31 December 2014 £000s	31 December 2013 £000s	1 January 2013 £000s
Accelerated capital allowances	**6**	(18)	(4)
Accelerated allowances on intangible assets	**(4,699)**	(4,493)	(4,271)
Initial recognition of intangible assets from business combination	**(1,610)**	(1,690)	(1,849)
Interest rate hedge	**26**	(93)	-
Share based payments	**162**	-	-
	(6,115)	(6,294)	(6,124)
Deferred tax asset	**194**	-	-
Deferred tax provision	**(6,309)**	(6,294)	(6,124)

Reconciliation of deferred tax movements:

The Group	31 December 2013 £000s	Recognised in other comprehensive income £000s	Recognised in the income statement £000s	Recognised on business combination £000s	31 December 2014 £000s
Non-current assets					
Intangible assets	(4,493)	-	(206)	-	**(4,699)**
Initial recognition of intangible from business combination	(1,690)	-	80	-	**(1,610)**
Property, plant and equipment	(18)	-	24	-	**6**
Non-current Liabilities					
Derivative financial instruments	(93)	119	-	-	**26**
Equity					
Share option reserve	-	-	162	-	**162**
	(6,294)	119	60	-	**(6,115)**
Recognised as:					
Deferred tax asset	-				**194**
Deferred tax liability	(6,294)				**(6,309)**

23. Deferred tax provision continued

The Finance Act 2012 included legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013. The reduction from 24% to 23% was substantively enacted at the balance sheet date and has therefore been reflected in these Group financial statements.

In addition to the changes in the rates of corporation tax disclosed above, it was announced in the December 2012 Budget Statement that the rate would be reduced from 23% to 21% from 1 April 2014 and in the March 2013 Budget Statement it was announced that the rate would be further reduced to 20% from 1 April 2015.

At the balance sheet date the substantively enacted rate was 20% (2013: 21%).

The Group	1 January 2013 £000s	Recognised in other comprehensive income £000s	Recognised in the income statement £000s	Recognised on business combination £000s	31 December 2013 £000s
Non-current assets					
Intangible assets	(4,271)	-	(222)	-	(4,493)
Initial recognition of intangible from business combination	(1,849)	-	159	-	(1,690)
Property, plant and equipment	(4)	-	(14)	-	(18)
Current Liabilities					
Derivative financial instruments	-	(93)	-	-	(93)
	(6,124)	(93)	(77)	-	(6,294)
Recognised as:					
Deferred tax asset	-				-
Deferred tax liability	(6,124)				(6,294)

24. Provisions for other liabilities

	31 December 2014 £000s	31 December 2013 £000s	1 January 2013 £000s
At start of year	**389**	561	699
Amount utilised in year	**(180)**	(209)	(187)
Unwinding of discount	**18**	37	49
At year end	**227**	389	561

Leases and associated costs for offices in Newcastle and Dublin, acquired as part of the Cambridge Laboratories acquisition have subsequently been treated as onerous contracts. As at 31 December 2014 an amount of £277,000 (year ended 31 December 2013: £389,000) discounted at a rate of 10%, representing payments due until the end of each contract has been recognised. The Dublin property lease expired in 2011 and the Newcastle property lease will run until 2015.

The balances are analysed as follows:

	31 December 2014 £000s	31 December 2013 £000s	1 January 2013 £000s
Current	**227**	190	197
Non-Current	**-**	199	364

Notes to the Financial Statements continued
for year ended 31 December 2014

25. Share capital

	Authorised No. of shares	Authorised £000s
At 31 December 2014 – ordinary shares of 1p each	**400,000,000**	**4,000**
At 31 December 2013 – ordinary shares of 1p each	400,000,000	4,000
At 1 January 2013 – ordinary shares of 1p each	400,000,000	4,000

	Allotted, called and fully paid No. of shares	Allotted, called and fully paid £000s
At 1 January 2013 – ordinary shares of 1p each	243,035,642	2,430
Issued during the year	21,045,231	211
At 31 December 2013 – ordinary shares of 1p each	264,080,873	2,641
Issued during the year	67,492	-
At 31 December 2014 – ordinary shares of 1p each	**264,148,365**	**2,641**

Between 1 January 2014 and 31 December 2014, 67,492 shares were issued on the exercise of employee share options (2013: 991,661).

During the year, the Company received conversion notices in respect of £nil nominal value of the Company's 8% Convertible Unsecured Loan Stock (2013: £4,211,255). Accordingly, the Company has allotted nil ordinary shares of 1p each in the Company (2013: 20,053,570).

Potential issues of ordinary shares

Under the Group's share option scheme for employees and Directors options have been granted to subscribe for shares in the Company at prices ranging from 7.75p to 37.25p. Options are exercisable three years after date of grant, but in certain instances this can be extended to five years. Options outstanding are as follows:

Year of grant	Exercise price pence	Exercise from	**31 December 2014 Number**	31 December 2013 Number	1 January 2013 Number
2005	19.00	2008	**9,000**	9,000	9,000
2006	18.75	2009	**27,250**	40,250	40,250
2007	9.25	2010	**19,250**	33,250	33,250
2008	8.5	2011	**629,750**	644,750	1,308,426
2009	7.75	2012	**694,060**	709,060	1,037,045
2010	33.25 and 34.25	2013	**2,318,325**	2,482,139	2,633,889
2011	34.12 and 31.00	2014	**3,860,081**	4,030,261	4,248,253
2012	29.25	2015	**3,063,514**	3,250,600	3,494,826
2013	37.25 and 35.75	2016	**5,033,176**	5,228,976	-
2013	35.75	2018	**3,700,000**	4,000,000	-
2014	33.75	2017	**2,699,056**	-	-
			22,053,462	20,428,286	12,804,939

See Note 19 for details of the Convertible Unsecured Loan Stock.

25. Share capital continued

Managing Capital

Our objective in managing the business' capital structure is to ensure that the Group has the financial capacity, liquidity and flexibility to support the existing business and to fund acquisition opportunities as they arise.

The capital structure of the Group consists of net bank debt and Shareholders' equity. At 31 December 2014, net bank debt was £21.1 million, whilst Shareholders' equity was £71.1 million.

The business is profitable and cash generative. The main financial covenants applying to bank debt are that leverage (the ratio of net bank debt to EBITDA) should not exceed 2.5 times, interest cover (the ratio of EBITDA to finance charges) should be no less than 4.0 times, and operating cash flows must exceed debt service cash flows. The Group comfortably complied with these covenants in 2014 and 2013.

Smaller acquisitions are typically financed purely with bank debt, while larger acquisitions typically involve a combination of bank debt and additional equity. The mixture of debt and equity is varied, taking into account the desire to maximise the shareholder returns while keeping gearing at comfortable levels, i.e. net bank debt below around two times EBITDA.

26. Share based payments

Under the Group's share option scheme for employees and Directors, options to subscribe for shares in the Company are granted normally once each year. Options are granted with a fixed exercise price equal to the market price of the shares under option at the date of grant. The contractual life of an option is 10 years from date of grant. Generally, options granted become exercisable on the third anniversary of the date of grant, but in certain instances this can be extended to five years. Exercise of an option is normally subject to continued employment. All share-based employee remuneration is settled in equity. Options are valued using the Black-Scholes option-pricing model. There are generally no performance conditions attached to the options, but 4m of the options granted on 23 October 2013 are subject to performance criteria and have the extension to five years before they can be exercised. The assumptions used in the calculation are as follows:

Grant date	Share price at issue	Exercise price	Number of options granted	**Number of options remaining at 31 December 2014**	Expected volatility	Risk free rate
27/07/05	19.00p	19.00p	424,516	**9,000**	22.8%	4.13%
04/05/06	18.75p	18.75p	901,190	**27,250**	14.9%	4.30%
02/05/07	9.25p	9.25p	1,402,425	**19,250**	20.4%	4.62%
23/04/08	8.50p	8.50p	5,419,950	**629,750**	18.6%	4.90%
14/04/09	7.75p	7.75p	2,307,860	**694,060**	25.5%	4.08%
26/03/10	33.25p	33.25p	1,300,000	**1,300,000**	43.5%	3.90%
29/04/10	34.25p	34.25p	1,502,778	**1,018,325**	45.7%	3.90%
28/04/11	34.12p	34.12p	3,981,916	**3,560,081**	43.9%	4.10%
21/09/11	31.00p	31.00p	300,000	**300,000**	53.2%	4.10%
19/10/12	29.25p	29.25p	3,494,826	**3,063,514**	49.7%	1.70%
06/06/13	37.25p	37.25p	3,370,703	**3,133,176**	49.8%	2.40%
23/10/13	35.75p	35.75p	5,900,000	**5,600,000**	49.5%	2.60%
11/04/14	33.75p	33.75p	2,726,556	**2,699,056**	49.0%	2.70%

In each case, it is assumed the majority of options will be exercised at the earliest opportunity and that on average they are exercised one year after they become exercisable. The expected volatility is based on historical volatility from 23 December 2003. The risk free rate of return is based on UK government bonds of a term consistent with the assumed option life.

26. Share based payments continued

Share options and weighted average exercise price are as follows for the reporting periods presented:

	2014		2013		2012	
	Number	**Weighted average exercise price Pence**	Number	Weighted average exercise price Pence	Number	Weighted average exercise price Pence
Outstanding at start of year	**20,428,286**	**32.43**	12,804,939	27.77	10,865,378	24.82
Granted	**2,726,556**	**33.75**	9,270,703	36.30	3,494,826	29.25
Exercised	**(67,492)**	**13.69**	(991,661)	8.24	(1,555,265)	10.54
Forfeited	**(1,033,888)**	**34.36**	(655,695)	32.54	-	-
Outstanding at end of year	**22,053,462**	**32.56**	20,428,286	32.43	12,804,939	27.77
Exercisable at end of year	**7,557,716**	**29.17**	3,918,449	16.79	2,427,971	8.40

Share options were exercised throughout the financial year. Share options were exercised between 7.75 and 29.25 pence per share.

27. Cash generated from operations

	Group		**Company**	
	Year ended 31 December 2014 £000s	Year ended 31 December 2013 £000s	**Year ended 31 December 2014 £000s**	Year ended 31 December 2013 £000s
Result for the period before tax	**10,157**	12,009	**1,237**	848
Interest paid	**1,098**	1,281	**-**	171
Interest income	**(48)**	(50)	**(1,757)**	(1,464)
Other finance costs	**(28)**	72	**-**	-
Depreciation of property, plant and equipment	**307**	266	**-**	-
Amortisation/Impairment of intangibles	**1,110**	422	**-**	-
Change in inventories	**(446)**	(75)	**-**	-
Change in Investments	**(312)**	48	**-**	-
Change in trade and other receivables	**2,823**	(1,134)	**25**	(28)
Change in trade and other payables	**(1,781)**	(1,574)	**(26)**	(182)
Share options charges	**571**	632	**571**	632
Cash flows from operating activities	**13,451**	11,897	**50**	(23)

28. Capital commitments

Neither the Group nor Company had any capital commitments at 31 December 2014 or at 31 December 2013.

29. Contingent liabilities

Neither the Group nor Company had any contingent liabilities at 31 December 2014 or at 31 December 2013.

30. Pensions

The Group operates a defined contribution group personal pension scheme for the benefit of certain Directors and employees.

The Group	**31 December 2014 £000s**	31 December 2013 £000s
Contributions payable by the group for the year	**327**	307

The Group also operates a stakeholder pension plan available to all employees.

31. Leasing commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	31 December 2014 Land and buildings £000s	31 December 2013 Land and buildings £000s	1 January 2013 Land and buildings £000s
No later than one year	**327**	287	361
Later than one year and no later than five years	**389**	589	753
Later than five years	**123**	220	317
	839	1,096	1,431

32. Related party transactions

The group paid £227,000 (year ended 31 December 2013: £163,000) for services from Fasken Martineau LLP and £37,000 for services from Pinsent Mason (year ended 31 December 2013: £15,000); both firms had Paul Ranson as a partner during 2014. At 31 December 2014 there was a balance of £5,496 (31 December 2013: £33,238) outstanding in respect of services from Fasken Martineau LLP and £nil in respect of Pinsent Mason.

During the year the Company received funds of £270,000 (year ended 31 December 2013: £12,450,000) from its subsidiary Alliance Pharmaceuticals Limited. Net payments of £91,000 (year ended 31 December 2013: £485,000) were made by Alliance Pharmaceuticals Limited on behalf of Alliance Pharma plc. Interest of £1,757,000 (year ended 31 December 2013: £1,464,000) was charged to Alliance Pharmaceuticals Limited on the total outstanding debt. During the year the Company re-invested £2,850,000 (year ended 31 December 2013: £5,550,000) in Alliance Pharmaceuticals Limited. During the year an amount of £571,000 (year end 31 December 2013: £632,000) was charged to Alliance Pharmaceuticals Limited by the Company for the employee share based payment. The amount owed by Alliance Pharmaceuticals Limited at the year-end is £47,557,000 (31 December 2013: £42,108,000).

Dividends declared by Alliance Pharmaceuticals Limited due to the Company are £5,400,000 for the year ended 31 December 2014 (for the year ended 31 December 2013: £nil, for the year ended 31 December 2012: £10,000,000). During the year dividends of £5,400,000 were paid by Alliance Pharmaceuticals Limited to the Company.

During the year the Group made payments on behalf of Unigreg of £374,000 (year ended 31 December 2013: £299,000). Interest receivable from Unigreg was £48,000 (year ended 31 December 2013: £52,000).

33. Joint Venture

Name	Principal Activity	Country of Incorporation	% Owned
Unigreg Ltd	Distribution of pharmaceutical products to China	British Virgin Islands	60
Synthasia International Company Ltd	Distribution of infant milk formula products to China	Hong Kong	20

In the prior period joint ventures were accounted for using the proportionate consolidation method of accounting. Following IFRS 11 Joint Arrangements becoming effective, the Group considered the categorisation of Unigreg Limited and Synthasia International Company Limited and determined they are joint ventures. A joint venturer shall recognise its interest in a joint venture as an investment and shall account for that investment using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures.

The effect of IFRS 11 on the 31 December 2013 comparatives is shown below:

	31 December 2013 Restated £000s	31 December 2013 Published £000s	31 December 2013 Movement £000s
Revenue	45,275	45,513	(238)
Cost of sales	(17,944)	(18,072)	128
Gross profit	**27,331**	**27,441**	**(110)**
Operating expenses	(13,971)	(14,081)	110
Share of joint venture profits/(losses)	(48)	-	(48)
Operating profit	**13,312**	**13,360**	**(48)**
Finance costs	(1,303)	(1,351)	48
Profit on ordinary activities before taxation	**12,009**	**12,009**	**-**
Taxation	(2,425)	(2,425)	-
Profit for the year attributable to equity shareholders	**9,584**	**9,584**	**-**

	31 December 2013 Restated £000s	31 December 2013 Published £000s	31 December 2013 Movement £000s
Intangible assets	87,111	89,061	(1,950)
Joint Venture Investment	533	-	533
Joint Venture Receivable	1,462	-	1,462
Other NCA	1,035	1,035	-
Non-current assets	90,141	90,096	45
Current assets	16,796	16,895	(99)
Total assets	**106,937**	**106,991**	**(54)**
Equity	64,668	64,668	-
Non-current liabilities	27,374	27,374	-
Current liabilities	14,895	14,949	(54)
Total equity and liabilities	**106,937**	**106,991**	**(54)**

33. Joint Venture continued

Movement in investments in joint ventures in the year:

	£000s
At 1 January 2013	1,001
Share of post-tax profits/(loss) of joint ventures	(48)
Dividend received	(420)
At 31 December 2013	533
Additions	499
Share of post-tax profits of joint ventures	319
Other movements in reserves	(8)
Dividend received	(72)
At 31 December 2014	**1,271**

Additions in the period relate to the 20% investment in Synthasia International Company Limited, a subsidiary of which supplies the Chinese market with Suprememil, an advanced infant milk formula brand.

The carrying value of joint ventures is split as follows:

	31 December 2014 £000s	31 December 2013 £000s	1 January 2013 £000s
Unigreg Limited	**791**	533	1,001
Synthasia International Company Limited	**480**	-	-
Total	**1,271**	533	1,001

The Group's principal joint venture is Unigreg Limited.

The share of the assets, liabilities, revenue and profits of the Groups principal joint venture Unigreg Limited, which are included in the Group's financial statements, are as follows:

	31 December 2014 £000s	31 December 2013 £000s	1 January 2013 £000s
Intangible fixed assets	**1,950**	1,950	1,950
Current assets	**397**	200	658
Current liabilities	**(94)**	(155)	(145)
Non-current liabilities	**(1,462)**	(1,462)	(1,462)
Net assets	**791**	533	1,001

	Year ended 31 December 2014 £000s	Year ended 31 December 2013 £000s	Year ended 31 December 2012 £000s
Income	**1,622**	238	2,475
Cost of sales	**(875)**	(128)	(1,415)
Administration and marketing expense	**(369)**	(111)	(239)
Finance charges	**(48)**	(47)	(48)
Profit/(loss) on ordinary activities before taxation	**330**	(48)	773

33. Joint Venture continued

Unigreg Ltd, has applied to China's State Food and Drug Administration ('SFDA') to vary the licence for importing Forceval into China. There is uncertainty about whether or when this variation will be approved. There is a risk that for a period of time Unigreg will be unable to import further product into China. There are a number of measures of mitigation that can be taken to offset this risk. The Board's view is that these mitigation measures are likely to be sufficient to ensure the continuation of the business in the long term, and that the intangible asset relating to Forceval in China is unlikely to be impaired. The carrying value of the related intangible asset is £1.95m.

The share of losses of the Groups individually immaterial joint ventures which are included in the Group's financial statements, are as follows:

	Year ended 31 December 2014 £000s	Year ended 31 December 2013 £000s	Year ended 31 December 2012 £000s
(Loss) from continuing operations	**(11)**	-	-
Other comprehensive loss	**(8)**	-	-
Total comprehensive loss	**(19)**	-	-

34. Ultimate controlling party

There is no single ultimate controlling party.

35. Subsequent event

MacuVision Europe Limited acquisition

On 2 February 2015 the Group completed the acquisition of MacuVision Europe Limited ("MacuVision") for initial consideration of £5.5 million plus the net asset value of MacuVision at completion (estimated at £577,000) and deferred contingent consideration of up to £6.0 million (estimated at £3,742,000). MacuVision sells MacuShield, an eye care treatment designed to be taken by sufferers of dry age-related macular degeneration and other eye conditions.

In the twelve months to 31 March 2014 the turnover of Solihull-based MacuVision was £2.7 million and the EBITDA (earnings before interest, tax, depreciation and amortisation) was £0.9 million. In the twelve months to 31 December 2014, MacuShield sales were £3.4 million. As at 31 March 2014 MacuVision had net assets of £0.6 million.

The initial consideration has been funded from existing cash and bank facilities, including a £5.5 million drawdown from the Group's £25 million Revolving Credit Facility ("RCF"). This brings the utilisation of the RCF to £6.8 million. The deferred contingent consideration will be funded from cash generation and existing bank facilities. Up to £4.0 million of this will be payable after one year and up to £2.0m will be payable after two years, both dependent on the revenue growth of MacuShield.

The provisional fair values of the assets acquired are as follows:

	Book value of assets and liabilities acquired £000s	Fair value adjustments £000s	**Fair value of assets and liabilities acquired £000s**
Intangible fixed assets	27	9,242	**9,269**
Tangible fixed assets	30	-	**30**
Current assets (excluding cash and cash equivalents)	1,750	-	**1,750**
Cash and cash equivalents	78	-	**78**
Current liabilities	(1,277)	-	**(1,277)**
Non-current liabilities	(31)	-	**(31)**
Net assets	577	9,242	**9,819**
Deferred tax liability	-	(1,848)	**(1,848)**
Goodwill	-	1,848	**1,848**
Total consideration	577	9,242	**9,819**

Shareholder enquiries

The Company's share register is maintained on our behalf by Capita Asset Services, who are responsible for updating the register, including details of changes to shareholders' addresses and purchases and sales of the Company's shares. If you have any questions about your shareholding in the Company or need to notify any changes to your personal details you should write to Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF or telephone 0871 664 0300 (calls cost 10p per minute plus network extras, lines are open 9:00am to 5:30pm Monday to Friday).

Financial Calendar

Annual General Meeting	27 May 2015
Final dividend record date	19 June 2015
Payment of final dividend	15 July 2015
Interim results announcement	9 September 2015
Year end	31 December 2015
Preliminary announcement	March 2016

Shareholder Analysis

Below is an analysis of the share register by size of holding as at 23 March 2015:

Size of shareholding	Proportion of shareholders	Number of shares held	Proportion of shares
1-5,000	29%	347,780	0.13%
5,001-10,000	14%	661,790	0.25%
10,001-50,000	35%	4,898,075	1.85%
50,001-100,000	5%	2,433,739	0.92%
100,001-500,000	9%	11,908,016	4.51%
500,001-1,000,000	2%	9,735,750	3.69%
1,000,001-5,000,000	4%	49,267,008	18.65%
5,000,001-10,000,000	1%	33,802,839	12.80%
10,000,001-50,000,000	1%	151,107,668	57.20%
	100%	264,162,665	100%

As at 23 March 2015 the Company has 619 registered shareholders.

Five Year Summary

	Year ended 31 December 2010* £m	Year ended 31 December 2011* £m	Year ended 31 December 2012* £m	Year ended 31 December 2013* £m	**Year ended 31 December 2014 £m**
Revenue	48.0	44.1	42.4	45.3	**43.5**
Operating profit before exceptional items	18.6	12.3	12.3	13.3	**11.8**
Exceptional operating items	(1.7)	-	-	-	**0.6**
Operating profit after exceptional items	16.9	12.3	12.3	13.3	**11.2**
Exceptional finance items	(1.8)	-	-	-	**-**
Profit before tax before exceptional items	16.4	10.7	10.8	12.0	**10.8**
Profit/(loss) before tax after exceptional items	12.9	10.7	10.8	12.0	**10.2**
Intangible assets	58.3	64.2	77.9	87.1	**88.9**
Tangible assets	0.9	0.8	0.6	0.6	**0.4**
Current assets	15.5	14.6	19.5	16.8	**15.7**
Current liabilities	16.5	13.6	21.9	14.9	**11.4**
Equity	36.1	44.1	51.8	64.7	**70.8**
Average shares in issue (millions)	226.1	238.6	240.9	250.8	**264.1**
Shares in issue at period end (millions)	236.1	240.1	243.0	264.1	**264.1**
Earnings per share – basic (p)	3.96	3.62	3.61	3.82	**3.17**
Earnings per share – adjusted basic (p)	5.07	3.62	3.61	3.82	**3.36**

*Restated for impact of IFRS 11.

Advisors

AUDITOR

Grant Thornton UK LLP
Hartwell House
55-61 Victoria Street
Bristol
BS1 6FT

BANKERS

Lloyds Bank Corporate Markets
The Atrium
Davidson House
Forbury Square
Reading
Berkshire
RG1 3EU

Royal Bank of Scotland
3rd Floor
3 Temple Back East
Bristol
BS1 6DZ

CORPORATE ADVISORS

Numis Securities Ltd
10 Paternoster Square
London
EC4M 7LT

FINANCIAL PR

Buchanan Communications
107 Cheapside
London
EC2V 6DN

REGISTRARS

Capita Asset Services
PXS 1
34 Beckenham Road
Beckenham
Kent
BR3 4ZF

REGISTERED OFFICE

Avonbridge House
Bath Road
Chippenham
Wiltshire
SN15 2BB

COMPANY NUMBER

04241478

Cautionary statement regarding forward-looking statements

This Annual Report has been prepared for the members of the Company and no one else. The Company, its Directors, employees or agents do not accept or assume responsibility to any other person in connection with this document and any such responsibility or liability is expressly disclaimed.

This Annual Report contains certain forward-looking statements with respect to the principal risks and uncertainties facing Alliance. By their nature, these statements and forecasts involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. The forward-looking statements reflect the knowledge and information available at the date of preparation of this Annual Report, and will not be updated during the year. Nothing in this Annual Report should be construed as a profit forecast.

The Report of the Directors in this Annual Report has been drawn up and presented in accordance with English company law and the liabilities of the Directors in connection with that report shall be subject to the limitations and restrictions provided by such law.

In particular, Directors would be liable to the Company (but not to any third party) if the Report of the Directors contains errors as a result of recklessness or knowing misstatement or dishonest concealment of a material fact, but would not otherwise be liable.

TRADEMARKS

The following are registered trademarks of Alliance Pharmaceuticals Limited (a subsidiary of Alliance Pharma plc) and are protected in a number of countries:

Absorbagel™, Acnisal™, ALLIANCE, ALLIANCE and Logo, ALLIANCE GENERICS, ALLIANCE PHARMACEUTICALS, Alphaderm™, Anbesol™, Aquadrate™, Ashton & Parsons Infants' Powder™, Atarax™, Avloclor™, Buccastem™, Ceanel™, ClearWay™, ClearWay Mini™, ClearWay Stoma Bridge™, DeoGel™, Deltacortril™, Dermamist, Distamine™, EnergEyes™, Forceval™, Hydromol™, Irenat™, Isprelor™, Lift™, Lift+™, Lift Plus™, Lypsyl™, Lypsyl – It's On Everyone's Lips™, Lypsyl Kissables™, Lypsyl Shimmer™, Lysovir™, MacuShield™, MacuShield Gold™, MacuVision™, Meted™, MolluDab™, Naseptin™, NaturCare™, NaturCare Breeze™, NaturCare Fragant™, NaturCare Zest™, NaturCare IPD™, Nu-Seals™, Occlusal™, Ondemet™, OPUS and Logo, Paludrine™, Pavacol™, Pavacol-D™, Pentrax™, Periostat™, Permitabs™, Posidorm™, Quinoderm™ and Quinoderm Q device, Rizuderm™, Roman in a chariot device, Savarine™, SkinSafe™, SkinSafe Non Sting Protective Film™, Syntometrine™, Terra-cortril™, Thwart™, Timodine™, Trust The Science™, Uniflu™, Unigreg™.

The following are all used under licence by Alliance Pharmaceuticals Limited:

Xenazine™ is a registered trademark of Biovail Laboratories International (Barbados).

Gelclair™ is a registered trademark of Helsinn Healthcare S.A.

ImmuCyst™ is a registered trademark of Sanofi Pasteur Limited.

ALLIANCE

Breathing life into medicines

Alliance Pharma plc
Avonbridge House
Bath Road
Chippenham
Wiltshire
SN15 2BB
United Kingdom

T: +44 (0)1249 466966
F: +44 (0)1249 466977
E: ir@alliancepharma.co.uk

www.alliancepharma.co.uk

Designed & produced by Design Wall.