

2. Segmental information

The Group's operating segments are determined with reference to the information which is supplied to the Executive Committee in order for it to allocate the Group's resources and to monitor the performance of the Group. Following the acquisition of Aesica on 12 November 2014, that information analyses the Group between two divisions, Bepak and Aesica. Prior to this acquisition, the Group only had one operating segment. The Executive Committee assesses the performance of the operating segments based on a measure of adjusted operating profit which excludes the impact of special items from the operating segments. Special items are analysed in note 6.

Consequently, the segment information provided to the Executive Committee for both of these reportable segments for the year ended 30 April 2016 is as follows:

	Bepak £000	Aesica £000	Unallocated £000	Total* £000
For the year ended 30 April 2016				
Revenue from products and services	117,213	159,697	–	276,910
Revenue by business segment	117,213	159,697	–	276,910
Segment operating profit before special items	25,169	11,806	–	36,975
Special items excluding amortisation of acquired intangible assets (note 6)	(283)	(6,534)	(1,061)	(7,878)
Amortisation of acquired intangible assets (note 6)	(828)	(12,312)	–	(13,140)
Segment operating profit/(loss)	24,058	(7,040)	(1,061)	15,957
Finance income (note 7)				11
Finance costs (note 8)				(3,328)
Other finance costs (note 9)				(1,399)
Profit before tax				11,241
Taxation				4,727
Profit for the financial year				15,968
Segmental balance sheet				
Total assets	114,610	295,000	36,150	445,760
Total liabilities	(45,132)	(77,868)	(113,609)	(236,609)
Net assets	69,478	217,132	(77,459)	209,151
Other segment information				
Capital expenditure:				
Property, plant and equipment (note 13)	11,660	8,476	25	20,161
Intangible asset additions (note 15)	217	140	–	357
Investment (note 16)	–	–	1,984	1,984
Total capital expenditure	11,877	8,616	2,009	22,502
Amortisation of intangible assets (note 15)	(979)	(12,495)	–	(13,474)
Depreciation (note 13)	(5,066)	(5,225)	(15)	(10,306)
Goodwill (note 14)	15,800	106,834	–	122,634
(Loss)/profit on disposal of fixed assets (note 3)	28	667	–	695
Trade receivables impairment (note 18)	–	(1,601)	–	(1,601)

* from continuing operations

Bepak's core business is the manufacture of inhaled drug delivery devices for Life Sciences partners and its operations are based in the United Kingdom. The Aesica business manufactures and sells active pharmaceutical ingredients, formulated pharmaceutical products and packaging services to the pharmaceutical industry and its operations are based in the United Kingdom and Europe.

NOTES TO THE ACCOUNTS

CONTINUED

2. Segmental information continued

For the year ended 30 April 2015	Bespak £000	Aesica £000	Unallocated £000	Total** £000
Revenue from products and services	105,799	79,026	–	184,825
Revenue by business segment	105,799	79,026	–	184,825
Segment operating profit before special items	20,912	4,143	–	25,055
Special items excluding amortisation of acquired intangible assets (note 6)	–	(10,106)	–	(10,106)
Amortisation of acquired intangible assets (note 6)	(828)	(5,957)	–	(6,785)
Segment operating profit/(loss)	20,084	(11,920)	–	8,164
Finance income				132
Finance costs				(2,360)
Other finance costs				(424)
Profit before tax				5,512
Taxation				750
Profit for the financial year				6,262
Segmental balance sheet				
Total assets (* Restated)	101,326	332,182	35,254	468,762
Total liabilities (* Restated)	(39,031)	(79,479)	(149,759)	(268,269)
Net assets	62,295	252,703	(114,505)	200,493
Other segment information				
Capital expenditure:				
Property, plant and equipment (note 13)	18,344	3,696	21	22,061
Intangible asset additions (note 15)	143	35	–	178
Goodwill arising on acquisitions (note 14)	–	101,923	–	101,923
Investment (note 16)	–	–	2,198	2,198
Total capital expenditure	18,487	104,834	2,219	125,540
Amortisation of intangible assets (note 15)	(942)	(6,021)	–	(6,963)
Depreciation (note 13)	(5,206)	(2,772)	(15)	(7,993)
Goodwill	15,800	101,923	–	117,723
(Loss)/profit on disposal of fixed assets (note 3)	(30)	46	–	16
Trade receivables impairment (note 18)	(14)	(1,503)	–	(1,517)

* Restated (see note 28)

** from continuing operations

Geographical analysis

The Group's operations are based in the United Kingdom and Europe.

	Total 2016 £000	Total 2015 £000
Revenue by destination from continuing operations		
United Kingdom	30,426	34,933
United States of America	41,078	20,094
Europe	171,010	116,503
Rest of the World	34,396	13,295
Revenue from continuing operations	276,910	184,825

£77.8m (FY2015: £39.5m) of the Group's revenues originated in Europe and the remainder originated from the United Kingdom. The Group's total non-current assets in the current year attributable to the United Kingdom are £320.2m (FY2015 : £313.6m) and Europe are £16.5m (FY2015 : £16.2m).

2. Segmental information continued

Major customers

The Group has total revenues from one major customer of £57.1m (2015: two customers at £29.6m, and £24.5m). In both cases, these revenues are from the Bepak and Aesica segments combined.

3. Operating expenses/(income)

	Continuing		Discontinued		Total	
	2016 £000	2015 £000	2016 £000	2015 £000	2016 £000	2015 £000
Raw materials and consumables	69,529	46,305	–	–	69,529	46,305
Other external charges	78,529	51,923	–	–	78,529	51,923
Fair value movement in contingent consideration (note 29)	–	–	999	1,314	999	1,314
Staff costs (note 4)	85,833	53,668	–	–	85,833	53,668
Depreciation (note 13)	10,306	7,993	–	–	10,306	7,993
Amortisation of acquisition-related intangible assets (note 15)	13,140	6,785	–	–	13,140	6,785
Amortisation of other intangible assets (note 15)	333	178	–	–	333	178
Loss/(profit) on disposal of property, plant and equipment	695	16	–	–	695	16
Exchange losses	441	282	–	–	441	282
	258,806	167,150	999	1,314	259,805	168,464
Increase in inventory of finished goods and work in progress	2,147	9,511	–	–	2,147	9,511
	260,953	176,661	999	1,314	261,952	177,975

Operating expenses include the following:

Operating lease rentals	1,646	1,547
Research and development	4,496	8,392
Trade receivables impairment (note 18)	837	215
Property, plant and equipment repairs and maintenance	10,316	5,997
Cost of inventories recognised as an expense	69,529	46,305
Change in the fair value of derivative instruments outstanding at year end and classified as fair value through profit and loss	374	376

Services provided by the Company's auditors

Fees payable to the Company's auditors for the audit of the parent Company and consolidated accounts	147	78
Fees payable to the Company's auditors and its associates for other services:		
– The audit of accounts of the Company's subsidiaries pursuant to legislation	241	372
– Audit-related assurance services	–	41
– Tax compliance services	–	12
– Tax advisory services	30	69
– Corporate finance services	–	604
– Other assurance services	12	29