Group Strategic Report, Report of the Directors and

Consolidated Financial Statements for the Year Ended 31 March 2019

for

Marksans Pharma U.K. Limited

Contents of the Consolidated Financial Statements
for the Year Ended 31 March 2019

Company Information
for the Year Ended 31 March 2019

DIRECTORS:	Mr. M Saldanha Mrs. S Saldanha Mr. J Sharma Mr S Jayanna
SECRETARY:	Mrs G Jacks
REGISTERED OFFICE:	Cheshire House Gorsey Lane Widnes WA8 ORP
REGISTERED NUMBER:	05467597 (England and Wales)
AUDITORS:	PBG Associates Limited Chartered Accountants and Registered Auditors 65 Delamere Road Hayes, Middx UB4 0NN

Group Strategic Report
for the Year Ended 31 March 2019

The directors present the strategic report and financial statements for the year ended 31 March 2019.

FAIR REVIEW OF BUSINESS
The company holds entire ordinary share capital of Marksans Holdings Limited and Relonchem Limited. Marksans Holdings Limited owns 100% of the ordinary share capital of Bell, Sons & Co. (Druggists) Limited.

The directors consider the results of Bell, Sons & Co. (Druggists) Limited for the year to be satisfactory. During the year sales increased from £18,021,449 to £22,119,801 and the profit on ordinary activities before taxation was £ 641,496 (2018: £133,914). The directors expect an increase in the level of activity in the forthcoming year.

The directors consider the results of Relonchem Limited for the year to be satisfactory. During the year like for like sales decreased from £24,096,505 to £23,828,455 and the profit on ordinary activities before taxation was £3,713,248 (2018: £3,927,468).

The business model of company is to secure sustained profitable growth via a change in customer base to support long term supply arrangements and a progressive commercial reactivation of its substantial product portfolio (leveraging on the low-cost manufacturing of its parent Marksans Pharma Limited). The directors there for expect the performance of the company to continue to be improved in the next financial year.

Increasing purchasing costs continue to threaten margins. The group manages this risk by establishing strong relationship with suppliers (in particul0ar its parent Marksans Pharma Limited), to enable negotiation and control management of potential future price increases and secure reliable supply. In addition, production methods are constantly being reviewed to ensure the most efficient operation are in place.

The group will continue to develop its product range through new product development and acquisition of licences, to meet market needs.

The group profit for the year, after taxation, amounted to £ 3,126,093 (2018: £2,894,151)

ON BEHALF OF THE BOARD:

....

Mr M Saldanha - Director

Date: 21st May, 2019

Report of the Directors
for the Year Ended 31 March 2019

The directors present their group annual report and financial statements for the year ended 31 March 2018.

PRINCIPAL ACTIVITIES
The principle activity of the company continued to be that of a holding company.

The principal activity of Bell, sons & Co. (Druggists) Limited is the manufacture and sale of Pharmaceuticals, while the principal activity of Relonchem Limited continued to be the development, registration and distribution of generic prescription Pharmaceuticals in the UK.

DIRECTORS
The directors who held office during the year and up to the date of signature of financial statements were as follow:

Mr. M Saldanha
Mr. J Sharma
Mrs. S Saldanha
Mr S Jayanna
Mr R. D. Williams (Resigned on 27th March 2019)

RESULTS AND DIVIDENDS
The results for the year are set out on page 7.

The directors do not recommend the payment of a dividend.

AUDITORS
The auditors PBG Associates Ltd will be proposed for reappointment at the forthcoming Annual General Meeting.

DIRECTORS' RESPONSIBILITIES STATEMENT
The directors are responsible for preparing the group annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practices (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:
-select suitable accounting policies and then apply them consistently.
- make judgements and accounting estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

....

Mr. M Saldanha - Director

Date: 21st May, 2019

Report of the Independent Auditors to the Members of
Marksans Pharma U.K. Limited

Opinion
We have audited the financial statements of Marksans Pharma U.K. Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the group's and of the parent company affairs as at 31 March 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information
The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
Marksans Pharma U.K. Limited

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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.

Responsibilities of directors
As explained more fully in the Directors' Responsibilities Statement set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report
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 a Report of the Auditors 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.

Devender Arora ACA (Senior Statutory Auditor)
for and on behalf of PBG Associates Limited
Chartered Accountants and Statutory Auditors
65 Delamere Road
Hayes, Middx
UB4 0NN

Date: 21st May, 2019

Marksans Pharma U.K. Limited

Consolidated Income Statement
for the Year Ended 31 March 2019

	Notes	2019 £	2019 £	2018 £	2018 £
TURNOVER	3		44,322,262		39,398,419
Cost of sales			35,822,072		31,371,569
GROSS PROFIT			8,500,190		8,026,850
Distribution costs		1,191,833		1,240,121	
Administrative expenses		3,220,286		2,883,379	
			4,412,119		4,123,500
			4,088,071		3,903,350
Other operating income			9,706		24,949
OPERATING PROFIT	5		4,097,777		3,928,299
Interest payable and similar expenses	7		168,409		225,181
PROFIT BEFORE TAXATION			3,929,368		3,703,118
Tax on profit	8		803,275		808,967
PROFIT FOR THE FINANCIAL YEAR			3,126,093		2,894,151
Profit attributable to:					
Owners of the parent			3,126,093		2,894,151

All amounts relate to continuing operations.

Consolidated Other Comprehensive Income
for the Year Ended 31 March 2019

	Notes	2019 £	2018 £
PROFIT FOR THE YEAR		3,126,093	2,894,151
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		3,126,093	2,894,151
Total comprehensive income attributable to:			
Owners of the parent		3,126,093	2,894,151

The notes form part of these financial statements

Marksans Pharma U.K. Limited (Registered number: 05467597)

Consolidated Balance Sheet
31 March 2019

		2019		2018	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	10		5,744,701		5,599,755
Tangible assets	11		3,254,677		3,042,155
Investments	12		-		-
			8,999,378		8,641,910
CURRENT ASSETS					
Stocks	13	12,384,578		11,096,689	
Debtors	14	8,201,728		6,507,565	
Cash in hand & at bank		2,328,648		2,229,217	
		22,914,954		19,833,471	
CREDITORS					
Amounts falling due within one year	15	15,928,030		15,615,172	
NET CURRENT ASSETS			6,986,924		4,218,299
TOTAL ASSETS LESS CURRENT LIABILITIES			15,986,302		12,860,209
PROVISIONS FOR LIABILITIES	17		102,488		102,488
NET ASSETS			15,883,814		12,757,721
CAPITAL AND RESERVES					
Called up share capital	18		8,596,941		8,596,941
Retained earnings			7,286,873		4,160,780
			15,883,814		12,757,721

The financial statements were approved by the Board of Directors on .... and were signed on its behalf by:

....

Mr M Saldanha - Director

Company Balance Sheet
31 March 2019

	Notes	2019 £	2019 £	2018 £	2018 £
FIXED ASSETS					
Intangible assets	10		-		-
Tangible assets	11		-		-
Investments	12		20,326,514		20,326,514
			20,326,514		20,326,514
CURRENT ASSETS					
Debtors	14	34,957		34,957	
CREDITORS					
Amounts falling due within one year	15	5,193,141		5,189,841	
NET CURRENT LIABILITIES			(5,158,184)		(5,154,884)
TOTAL ASSETS LESS CURRENT LIABILITIES			15,168,330		15,171,630
CAPITAL AND RESERVES					
Called up share capital	18		8,596,941		8,596,941
Retained earnings			6,571,389		6,574,689
			15,168,330		15,171,630
Company's loss for the financial year			(3,300)		(18,755)

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on .... and were signed on its behalf by:

....
Mr. M Saldanha - Director

The notes form part of these financial statements

Consolidated Statement of Changes in Equity
for the Year Ended 31 March 2019

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2017	8,596,941	1,266,629	9,863,570
Changes in equity			
Total comprehensive income	-	2,894,151	2,894,151
Balance at 31 March 2018	8,596,941	4,160,780	12,757,721
Changes in equity			
Total comprehensive income	-	3,126,093	3,126,093
Balance at 31 March 2019	8,596,941	7,286,873	15,883,814

The notes form part of these financial statements

Company Statement of Changes in Equity
for the Year Ended 31 March 2019

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2017	8,596,941	6,593,444	15,190,385
Changes in equity			
Total comprehensive income	-	(18,755)	(18,755)
Balance at 31 March 2018	8,596,941	6,574,689	15,171,630
Changes in equity			
Total comprehensive income	-	(3,300)	(3,300)
Balance at 31 March 2019	8,596,941	6,571,389	15,168,330

1. STATUTORY INFORMATION

Marksans Pharma U.K. Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Accounting convention
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standards applicable in UK and Republic of Ireland" (FRS 102) and the requirements of the Companies Act 2006. The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.
As permitted by Section 408 of the Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £3,300 (2018- £18,755 loss).

Basis for consolidation
The consolidated financial statements incorporate those of Marksans Pharma U.K. Limited and all of its subsidiaries (i.e. entities that Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 March 2019.

All intra group transactions, balances and unrealized gains on transactions between group companies are eliminated on consolidation. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued, and liabilities incurred and assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognized as goodwill.

Going concern
At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing financial statements.

continued...

2. **ACCOUNTING POLICIES - continued**

Turnover
Turnover comprises revenue recognized by company in respect of goods supplied during the year, exclusive of Value Added Taxes and trade discounts based on the date goods are dispatched.

Revenue from the sale of goods is recognized when significant risks and rewards of ownership of goods have passed to the buyer (usually on dispatch of goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transactions will flow to the entity and the costs incurred or to be incurred in respect of transactions can be measured reliably.

Intangible fixed assets - goodwill

Goodwill is provided as the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortized to the profit and loss account over its estimated economic life of 20 years.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognized at cost and are subsequently measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets acquired on business combinations are recognized separately from goodwill at acquisition date if the fair value can be measured reliably.

Amortization is recognized so as to write off the cost or valuation of the assets less their residual values over their useful lives on the following basis

Patents	-	10% Straight Line
Prescription product licenses	-	5% Straight Line

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on free hold land. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each assets over its expected useful life, as follows;

Freehold Building	- 2% straight
Plant and machinery	- 20% reducing method
Fixtures and Fittings	- 25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Impairment of Fixed Asset

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of asset is estimated in order to determine the extent of impairment loss (if any).

Where it is not possible to estimate recoverable amount of an individual asset, the company estimates the recoverable amount of cash generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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2. **ACCOUNTING POLICIES - continued**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discontinued to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount.

An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as revaluation decrease.

Stocks

Stocks are stated at lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognized as an impairment loss in profit or loss. Reversals of impairment losses are also recognized in profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The group has elected to apply the provisions of section 11 "Basic Financial Instruments" and section 12 "other Financial Instruments Issues" of FRS 102 to all of its financial instruments.

Financial instruments are recognized in company's statement of financial position when the group became party to the contractual provisions of the instruments.
Financial assets and liabilities are offset, with the net amount presented in the financial statements, when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

Basic Financial Assets
Basic financial assets which include trade and other receivables, cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortized cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at present value of the future receipts discounted at a market rate of interest.

Other Financial Assets
Other financial assets including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognized in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in active market are classified as "loans and receivables". Loans and receivables are measured at amortized cost using the effective interest method, less any impairment.

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2. **ACCOUNTING POLICIES - continued**

Impairment of Financial Assets
Financial Assets other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial Assets are impaired where there is objective evidence that, as a result of one or more events that accrued after the initial recognition of the financial assets, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognized in profit or loss.

Derecognition of Financial Asset
Financial assets are derecognized only when contractual rights to the cash flow from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risk and reward of ownership to another entity, or if some of significant risk and rewards of ownership are retained but control of asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of Financial Liabilities
Financial liabilities and equity instruments are classified according to the substances of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic Financial Liabilities
Basic financial liabilities including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognized at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using effective interest rate method.

Trade payables are obligation to pay for goods and services that have been acquired in ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognized initially at transaction price and subsequently measured at amortized cost using effective interest method.

Financial liabilities and equity instruments are classified according to the substance to the contractual arrangement entered into. An equity instrument is a contract that evidences a residual interest in the asset of the company after deducting all of its liabilities.

Derecognition of Financial Liability
Financial liabilities are derecognized when the group's contractual obligations expire or are discharged or cancelled.

Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognized as liabilities once they are no longer at the discretion of the group.

Taxation
The tax expense represent the sum of the tax currently payable and deferred tax.

Current Tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income and expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

continued...

2. **ACCOUNTING POLICIES – continued**

Deferred Tax
Deferred tax liability is generally recognized for all timing differences and deferred tax asset is recognized to the extent that it is probable that they will be recovered against the reversal of deferred tax liability or other future taxable profits. Such assets and liabilities are not recognized if the timing differences arises from goodwill or from initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profits.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realized. Deferred tax is charged or credited in profit and loss account, except when it relates to items charged or credited directly to equity, in which case deferred tax is also dealt with in equity. Deferred tax assets and liability are offset if, and only if there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Employee benefits
The cost of short term employee benefits is recognized as a liability and an expense, unless those cost are required to be recognized as part of the cost of stock or fixed assets.
The costs of any unused holiday entitlement is recognized in the period in which the employee's services are received. Termination benefits are recognized immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement Benefits
Payment to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Leases
Rentals payables under operating leases, including any lease incentives received, are charged to income on a straight-line basis over the term of relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Foreign Exchange
Transactions in currencies other than pounds sterling are recorded at the rate of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains or losses arising on translation are included in the profit and loss account for the period.

Judgement and key sources of estimation uncertainty
In the application of the company's accounting policies, the directors are required to make judgements, estimated and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered to be relevant. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised where the revision effects only that period, or in the period of revision and future periods where the revision affects both current and future periods.

Critical Judgements
The following judgements (apart from those involving estimates) had the most significant effect on amount recognized in the financial statements.

Amortization of Product Licenses
The annual amortization charge for intangible assets is sensitive to changes in the estimated lives and residual values of assets. The useful economic lives and residual values are reviewed annually. These reviews require an estimation of how long each license is expected to be used based on expected sales of those licensed products. See note 9 for the carrying amount of the intangible assets and note 1 on Accounting Policies for the useful economic lives for each class of assets.

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3. **TURNOVER**

An analysis of company's turnover is as follows:

	2019	2018
	£	£
Turnover		
Sale of goods	44,322,262	39,398,419

	2019	2018
	£	£
Other significant revenue		
Interest income	5,027	1,664

The analysis of turnover by geographical markets has been omitted as the directors consider that this would be prejudicial to the interests of the group.

4. **EMPLOYEES AND DIRECTORS**

The average number of employees (including directors) employed by the company during the year was as follows:

	2019	2018
Production	142	142
Sales and Administration	22	18

Their aggregate remuneration comprised of:

	2019	2018
	£	£
Wages and salaries	4,251,733	4,097,641
Social security costs	353,193	353,406
Other pension costs	132,892	133,599

During the year, no director (2018-none) of Marksans Pharma U.K. Limtied received any emoluments from Marksans Pharma U.K.Limited or any of its subsidiaries

During the year, retirement benefits were accruing to no directors (2018-none) of Marksans Pharma U.K.Limited in respect of defined contribution pension schemes.

5. **OPERATING PROFIT**

The operating profit is stated after charging/ (crediting):

	2019	2018
	£	£
Depreciation - owned assets	304,532	215,497
Amortisation of intangible assets	585,685	555,425
Foreign exchange differences	(8,343)	(687)

6. **AUDITORS' REMUNERATION**

Fees payable to the company's auditors

	2019	2018
	£	£
For audit services		
Audit of the financial statements of the group and company	4,000	4,000
Audit of the company's subsidiaries	18,000	18,000
For other services	2,000	2,000

continued...

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£	£
Bank Interest on loans and Overdraft	168,409	225,181
	168,409	225,181

8. TAXATION

Analysis of the tax credit
The tax credit on the profit/(loss) for the year was as follows:

	2019	2018
	£	£
Current tax:		
UK corporation tax	803,275	808,967
Tax on profit/ (loss)	803,275	808,967

	2019	2018
	£	£
Current tax		
UK corporation tax on profits for the current period	-	808,967

The charge for the year can be reconciled to the (loss)/profit per the profit and Loss account as follows:

	2019	2018
	£	£
Profit before Taxation on continued operations	3,929,368	3,703,118
Profit on ordinary activities before taxation multiplied by standard		
Rate of corporation tax of 19% (2018-19%)	746,580	703,592
	-	
Tax effect of expenses that are not deductible in determining taxable profit	31,681	14,448
Unutilised tax losses	-	-
Depreciation on assets not qualifying for tax allowances	-	-
Amortisation on assets not qualifying for tax allowances	54,312	54,312
Difference of Capital allowances and depreciation	(29,298)	36,615
Other tax adjustment	-	-
Tax Expense for the year	803,275	808,967

9. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

continued...

10. **INTANGIBLE FIXED ASSETS**

Group

	Goodwill £	Patents and licences £	Development costs £	Totals £
COST				
At 1 April 2018	5,717,140	56,450	5,165,350	10,938,940
Additions	-	12,432	718,199	730,631
At 31 March 2019	5,717,140	68,882	5,883,549	11,669,571
AMORTISATION				
At 1 April 2018	2,891,967	39,988	2,407,230	5,339,185
Amortisation for year	-	5,651	580,034	585,685
At 31 March 2019	2,891,967	45,639	2,987,264	5,924,870
NET BOOK VALUE				
At 31 March 2019	2,825,173	23,243	2,896,285	5,744,701
At 31 March 2018	2,825,173	16,462	2,758,120	5,599,755

11. **TANGIBLE FIXED ASSETS**

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 April 2018	2,371,743	4,487,338	18,151	6,877,232
Additions	-	355,586	164,766	520,352
Disposal	-	(206,274)	-	(206,274)
At 31 March 2019	2,371,743	4,636,650	182,917	7,191,310
DEPRECIATION				
At 1 April 2018	217,656	3,605,568	11,853	3,835,077
Charge for year	53,984	213,965	36,583	304,532
Eliminated on disposal	-	(202,976)	-	(202,976)
At 31 March 2019	271,640	3,616,557	48,436	3,936,633
NET BOOK VALUE				
At 31 March 2019	2,100,103	1,020,093	134,481	3,254,677
At 31 March 2018	2,154,087	881,770	6,298	3,042,155

12. **FIXED ASSET INVESTMENTS**

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in Subsidiaries		-	-	20,326,514	20,326,514

continued...

12. **FIXED ASSET INVESTMENTS - continued**

Group

Details of the company's subsidiaries at 31 March 2019 are as follows:

Name of undertaking and country of incorporation of residency		**Nature of business**	**Class of shareholding**	**% Held Direct**	**Indirect**
Marksans Holdings Limited	England and Wales	Holding Company	Ordinary	100	
Bell, Sons &Co (Druggists) Limited	England and Wales	Pharmaceuticals	Ordinary	-	100
Relonchem Limited	England and Wales	Pharmaceuticals	Ordinary	100	-

13. **STOCKS**

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Raw materials and consumables		1,341,392	1,298,749	-	-
Finished goods and goods for resale		11,043,186	9,797,940	-	-
		12,384,578	11,096,689	-	-

14. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		**Company**	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	7,637,892	6,366,337	-	-
Amounts owed by group undertakings	-	-	34,957	34,957
Other debtors	49,496	56,031	-	-
Prepayments and accrued income	514,340	85,197	-	-
	8,201,728	6,507,565	34,957	34,957

15. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		**Company**	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	3,111,662	2,668,219	-	-
Loans and Overdraft	2,509,082	3,680,426	-	-
Amounts owed to group undertakings	8,095,977	7,520,723	5,185,601	5,178,061
Corporation tax payable	413,621	800,521	-	-
Social security and other taxes	294,722	244,068	-	-
Other creditors	34,480	12,120	-	-
Accruals and deferred income	1,468,486	689,095	7,540	11,780
	15,928,030	15,615,172	5,193,141	5,189,841

continued...

16. FINANCIAL INSTRUMENTS

	Group 2019	2018	Company 2019	2018
	£	£	£	£
Carrying amount of financial assets	7,687,388	6,422,368	34,957	34,957
Debt instruments measured at amortised costs				
Carrying amount of financial liabilities				
Measured at amortised costs	15,219,687	14,570,583	5,193,141	5,189,841

17. PROVISIONS FOR LIABILITIES

	Notes	Group 2019	2018	Company 2019	2018
		£	£	£	£
Deferred tax liabilities		102,488	102,488	-	-
Payable within one year		102,488	102,488	-	-

18. CALLED UP SHARE CAPITAL

Ordinary share capital, issued and fully paid:

Number:	Class:	Nominal value:	2019 £	2018 £
8,596,941	Ordinary share capital	£1	8,596,941	8,596,941

19. DEFERRED TAXATION

Deferred tax assets and liabilities are offset where the group or company has legal enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for the financial reporting purpose.

Group	2019 £	2018 £
Accelerated capital allowances	102,488	102,488

The company has no deferred tax assets or liabilities.

There were no deferred tax movements in the year.

20. RETIREMENT BENEFIT SCHEMES

	2019 £	2018 £
Defined contribution schemes		
Charge to profit and loss in respect of defined contribution schemes	132,892	133,600

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

continued...

21. LOANS AND OVERDRAFTS

	Group 2019 £	2018 £	Company 2019 £	2018 £
Loans and overdrafts				
Bank overdrafts	2,509,082	3,680,426	-	-
Payable within one year	2,509,082	3,680,426	-	-

22. OPERATING LEASES COMMITMENTS

Leases

Operating lease payments represent rental payable in respect of property, equipment and vehicles.

At 31 March 2019 the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Within one year	215,589	80,349	-	-
Between two and five years	1,017,591	78,826	-	-
After five years	1,731,648	-	-	-

23. RELATED PARTY TRANSACTIONS

Remuneration of key management personnel, including those who are also director, is as follow

	2019 £	2018 £
Aggregate compensation	461,562	567,685

The company has taken exemption from disclosing related party transactions with companies under the same control in accordance with FRS 102-Section 33 "Related Party Disclosures"

24. CASH FLOW EXEMPTION

The group and company, being member of the group wherein the ultimate parent company prepares consolidated financial statements which are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with Financial Reporting Standard 102.

continued...

25. **CONTROLLING PARTY**

The immediate parent undertaking is Marksans Pharma Limited, a company incorporated in India.
Consolidated accounts are available from the Registrar of Companies, Everest 100, Marine Drive, Mumbai- 400 002, Maharashtra.

In the opinion of the directors, Marksans Pharma Limited is the company's ultimate parent Company and ultimate controlling party.

26. **PREVIOUS YEAR FIGURES**

Previous year figures have been rearranged/ regrouped/ reclassified wherever considered necessary to facilitate comparison with the current year figures.

Report of the Directors and

Financial Statements for the Year Ended 31 March 2019

for

Marksans Holdings Limited

Marksans Holdings Limited

Contents of the Financial Statements
for the Year Ended 31 March 2019

Company Information
for the Year Ended 31 March 2019

DIRECTORS:	Mr. S Jayanna Mrs. S Saldanha Mr. M Saldanha Mr.J Sharma
SECRETARY:	Mrs G Jacks
REGISTERED OFFICE:	Cheshire House Gorsey Lane Widnes Cheshire WA8 0RP
REGISTERED NUMBER:	05591744 (England and Wales)
AUDITORS:	PBG Associates Limited Chartered Accountants and Registered Auditors 65 Delamere Road Hayes, Middx UB4 0NN

Marksans Holdings Limited

Report of the Directors
for the Year Ended 31 March 2019

The directors present their annual report and financial statement for the year ended 31 March 2019.

PRINCIPAL ACTIVITY

The principle activity of the company continued to be that of a holding company. The company holds the entire share capital of Bell, Sons & Co. (Druggists) Limited, a company that Manufactures pharmaceuticals products.

The company had not traded during the year.

DIRECTORS

The directors who holds office during the year and upto the date of signature of financial statement were as follow

Mr. M Saldanha
Mr. S Jayanna
Mr. J Sharma
Mrs. S Saldanha
Mr. R D Williams (Resigned on 27th March 2019)

RESULTS AND DIVIDENDS

The results for the year are set out on page 6.

The directors do not recommend the payment of a dividend

AUDITORS

The auditors, PBG Associates Ltd, will be proposed for re appointment at the forth coming Annual General Meeting.

STATEMENT OF DISCLOSURE TO AUDITORS

So far as each person who has a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

....
Mr. M Saldanha - Director

Date: 21st May, 2019

Directors' Responsibilities Statement
for the Year Ended 31 March 2019

The directors are responsible for preparing annual report and financial statement in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statement for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practices (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of state of affairs of the company and of the profit or loss of the company for the period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent.
- Prepare the financial statement 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 Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for tacking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Independent Auditors to the Members of
Marksans Holdings Limited

Opinion
We have audited the financial statements of Marksans Holdings Limited (the 'company') for the year ended 31 March 2019 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 March 2019;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information
The directors are responsible for the other information. The other information comprises the information in the Report of the Directors and the Directors' Responsibilities Statement, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- The 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.

Responsibilities of directors
As explained more fully in the Directors' Responsibilities Statement set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report
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 a Report of the Auditors 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.

Devender Arora ACA (Senior Statutory Auditor)
for and on behalf of PBG Associates Limited
Chartered Accountants and Registered Auditors
65 Delamere Road
Hayes, Middx
UB4 0NN

Date: 21st May, 2019

Marksans Holdings Limited

Income Statement
for the Year Ended 31 March 2019

	Notes	2019 £	2018 £
TURNOVER		-	-
OPERATING PROFIT and PROFIT BEFORE TAXATION		-	-
Tax on profit	5	-	-
PROFIT FOR THE FINANCIAL YEAR		-	-

All amounts relate to continuing operations

The notes form part of these financial statements

Other Comprehensive Income
for the Year Ended 31 March 2019

	Notes	2019 £	2018 £
PROFIT FOR THE YEAR		-	-
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	-

The notes form part of these financial statements

Marksans Holdings Limited (Registered number: 05591744)

Balance Sheet
31 March 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Investments	6	1,490,874	1,490,874
TOTAL ASSETS LESS CURRENT LIABILITIES		1,490,874	1,490,874
CAPITAL AND RESERVES			
Called up share capital	7	1,000	1,000
Share premium	8	1,489,874	1,489,874
SHAREHOLDERS' FUNDS		1,490,874	1,490,874

The financial statements were approved by the Board of Directors on .... and were signed on its behalf by:

....

Mr. M Saldanha - Director

Statement of Changes in Equity
for the Year Ended 31 March 2019

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 April 2017	1,000	-	1,489,874	1,489,874
Changes in equity				
Balance at 31 March 2018	1,000	-	1,489,874	1,490,874
Changes in equity				
Balance at 31 March 2019	1,000	-	1,489,874	1,490,874

The notes form part of these financial statements

1. **STATUTORY INFORMATION**

Marksans Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Accounting policies
Company information

Marksans Holdings Limited is a company limited by shares incorporated in England and Wales. The register office is Cheshire House, Gorsey Lane, Widnes, WA8 ORP.

Cash Flow Exemption
The company, being member of the group wherein the parent company prepares consolidated financial statements which are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with Financial Reporting Standard 102.

Accounting convention
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standards applicable in UK and Republic of Ireland" (FRS 102) and the requirement of Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded in nearest pound.

The financial statements have been prepared on the historical cost convention. The principle accounting policies adopted are set out below.

The company has taken advantage of exemption under section 400 of Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Marksans Holdings Limited is a Wholly subsidiary of Marksans Pharma U.K. Limited and the results of Marksans Pharma U.K. Limited are included in the consolidated Financial Statement of Marksans Pharma U.K. Limited which are available from Companies House, Cardiff, CF 14 3UZ.

Going concern
At the time of approving the financial statement, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing financial statements.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts are shown within borrowings in current liabilities.

Fixed asset investment
Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognized immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

continued...

2. **ACCOUNTING POLICIES - continued**

Financial instruments
The comply elected to apply the provisions of section 11 "Basic Financial Instruments" and section 12 "other Financial Instruments Issues" of FRS 102 to all of its financial instruments.
Financial instruments are recognized in company's statement of financial position when the company became party to the contractual provisions of the instruments. Financial assets and liabilities are offset, with the net amount presented in the financial statements. When there is a legally enforceable right to set off the recognized amount and there is an intention to settle on a net basis or to realize the net asset and settle the liability simultaneously.

Basic Financial Assets
Basic financial assets which include trade and other receivables, cash and bank balances, are initially measured at transaction price including transaction cost and are subsequently carried at amortized cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at present value of the future receipts discounted at a market rate of interest.

Other financial asset
Other financial assets including investment in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the change in fair value are recognize in profit or loss, except that investment in equity instruments that are not publicly traded and whose fair values can not be measured reliably are measured at cost less impairment.

Trade debtor, loans and other receivables that have fixed or determinable payments that are not quoted in active market are classified as "Loans and receivables" loans and receivables are measured at amortized cost using the effective interest method, less any impairment.
Interest is recognized by applying the effective interest rate, except for short term receivable when the recognition of interest would be immaterial. The effective interest rate method is a method of calculating the amortize cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the effective expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of Financial Assets
Financial Assets other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial Assets are impaired where there is objective evidence that, as a result of one or more events that accrued after the initial recognition of the financial assets, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognized in profit or loss.

If there is a decrease in impairment loss arising from an event occurring after the impairment was recognized, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what carrying amount would have been, had the impairment not previously been recognized. The impairment reversal is recognized in profit or loss.

Derecognition of Financial Asset
Financial assets are derecognized only when contractual right to the cash flow from the asset expire or are settled, or when the company transfer the financial asset and substantially all the risk and reward of ownership to another entity, or if some of significant risk and rewards of ownerships are retained but control of asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of Financial Liabilities
Financial liabilities and equity instruments are classified according to the substances of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

continued...

2. **ACCOUNTING POLICIES - continued**

Basic Financial Liabilities

Basic financial liabilities including trade and other payables, bank loan, loan from fellow group companies and preference shares that are classified as debt, are initially recognized at transaction price unless the arrangement constitutes a financial transaction, where the debt instrument is measured at the present value of future payments discounted at a market rate of interest.
Debt instruments are subsequently carried at cost, using effective interest rate method.

Trade payables are obligation to pay for goods and services that have been acquired in ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognized initially at transaction price and subsequently measured at amortized cost using effective interest rate method.

Other Financial Liability

Derivatives, including interest rate swap and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re measured at fair value. Changes in the fair values of derivatives are recognized in profit or loss in finance costs or finance income as appropriate unless hedge accounting is applied and the hedge is a cash flow hedge.

Financial liabilities and equity instruments are classified according to the substance to the contractual arrangement entered into. An equity instrument is an contract that evidences a residual interest in the asset of the company after deducting all of its liabilities.

Derecognition of Financial Liability

Financial liabilities are derecognized when the company's contractual obligation expire or are discharged or cancelled.

Equity instruments

Equity instruments issued by company are recorded at the proceeds received, net of direct issue cost. dividend payable on equity instrument are recognized as liability once they are no longer at the discretion of company.

3. **EMPLOYEES AND DIRECTORS**

The average monthly number of persons (including directors) employed by the company during the year was nil (2018: Nil).

4. **OPERATING PROFIT**

The auditor's remuneration for the year was borne by a fellow group undertaking.

5. **TAXATION**

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 March 2019 nor for the year ended 31 March 2018.

continued...

6. FIXED ASSET INVESTMENTS

	2019	2018
	£	£
Investments in subsidiaries	1,490,874	1,490,874

The company has not designed any financial assets that are not classified as financial assets as fair value through profit or loss.

Movement in Fixed assets investments

	Investment in Subsidiary Company
	£
Cost	
At 1 April 2017 & 31 March 2018	1,490,874
Carrying amount	
At 31 March 2019	1,490,874
At 31 March 2018	1,490,874

Subsidiaries
These financial statements are separate company financial statements for Marksans Holdings Limited.

Details of the company's subsidiaries at 31 March 2019 are as follows:

Name of undertaking	Country of Incorporation	Nature of business	Class of Shareholding	% Held Direct indirect
Bell, Sons & Co (Druggists) Limited	England and Wales	Pharmaceutical	Ordinary	100.00

The aggregate capital and reserve and the result for the year of the subsidiaries noted above was as follow:

Name of undertaking	Profit/(Loss)	Capital and Reserve
	£	£
Bell, Sons & Co.(Druggists) Limited	535,639	5,574,647

7. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019	2018
			£	£
1,000	Ordinary Share Capital	£1	1,000	1,000

continued...

8. **RESERVES**

	Retained earnings £	Share premium £	Totals £
At 1 April 2018	-	1,489,874	1,489,874
Profit for the year	-		-
At 31 March 2019	-	1,489,874	1,489,874

9. **CONTROLLING PARTY**

The immediate parent undertaking is Marksans Pharma U.K. Limited, a company registered in England and Wales.

In the opinion of directors, Marksans Pharma Limited is the company's ultimate parent company and ultimate controlling party.

The parent undertaking of the smallest group for which consolidated accounts are prepared in Marksans Pharma U.K. Limited. Consolidated accounts are available from Companies House, Cardiff, CF14 3UZ.

The parent undertaking of the largest group for which consolidated accounts are prepared is Marksans Pharma Limited, a company incorporated in India. Consolidated accounts are available from the Registrar of Companies, Everest 100, Marine Drive, Mumbai-400 002, Maharashtra.

Strategic Report, Report of the Directors and

Financial Statements for the Year Ended 31 March 2019

for

Bell,Sons & Co.(Druggists) Limited

Contents of the Financial Statements
for the Year Ended 31 March 2019

Company Information
for the Year Ended 31 March 2019

DIRECTORS:	Mr. S Jayanna Mrs. S Saldanha Mr. M Saldanha Mr. J Sharma
SECRETARY:	Mrs G Jacks
REGISTERED OFFICE:	Gifford House Slaidburn Crescent Southport Merseyside PR9 9AL
REGISTERED NUMBER:	00351951 (England and Wales)
AUDITORS:	PBG Associates Limited Chartered Accountants and Registered Auditors 65 Delamere Road Hayes, Middx UB4 0NN

Strategic Report
for the Year Ended 31 March 2019

The directors present the strategic report and financial statement for the year ended 31 March 2019.

FAIR REVIEW OF BUSINESS

The directors consider the result for the period to be satisfactory. During the period sales increased from £18,021,449 to £22,119,801 and the profit on ordinary activities before taxation was £ 641,496 (2018: £133,914). The directors expect turnover and the profit on ordinary activities to increase in the forthcoming year.

Bell's manufactures licensed products - both as own branded products and, for certain customers, in own label from together with a range of unlicensed products. The company owns a state-of-the-art manufacturing facility in Southport and is an established manufacturer of over 200 OTC pharmaceuticals having full approval of the UK MHRA.

Bell's customers include retailers, pharmacies, chemist wholesalers and cash and carry outlets. The company enjoys a significant stronghold in the export markets. With more than 80 years of experience and a reach across 50+ countries, the brand is recognized and respected globally. Its key markets are West Africa and Middle East.

Principle risk and uncertainties arise from a competitive market.

Increasing raw material cost continue to threaten margins. The company manages this risk by establishing strong relationship with suppliers, to enable negotiation and controlled management of potential future price increases and secure reliable supply. In addition production methods are consistently being reviewed to ensure the most efficient operations are in place.

The company will continue to develop its products range to meet market needs.

The profit for the year, after taxation, amounting to £535,639 (2018: £109,090).

ON BEHALF OF THE BOARD:

....

Mr. M Saldanha - Director

Date: 21st May, 2019

Report of the Directors
for the Year Ended 31 March 2019

The directors present their annual report and financial statement for the year ended 31 March 2019.

PRINCIPAL ACTIVITIES
The principle activity of the company continued to be that of Manufacturer and sale of pharmaceuticals.

DIRECTORS
The directors who holds office during the year and upto the date of signature of financial statement were as follow:

Mr. M Saldanha
Mr. J Sharma
Mrs. S Saldanha
Mr. S Jayanna
Mr. R D Williams (Resigned 27th March 2019)

RESULTS AND DIVIDENDS
The results for the year are set out on page 7.

The directors do not recommend the payment of a dividend.

AUDITORS
The auditors, PBG Associates Ltd, will be proposed for re appointment at the forth coming Annual General Meeting.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing annual report and financial statement in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statement for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practices (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of state of affairs of the company and of the profit or loss of the company for the period.in preparing these financial statements, the directors are required to:
- Select suitable accounting policies and then apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent.
- Prepare the financial statement 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 companies act 2006. They are also responsible for safeguarding the assets of the company and hence for tacking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF DISCLOSURE TO AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

....

Mr. M Saldanha - Director

Date: 21st May, 2019

Opinion
We have audited the financial statements of Bell,Sons & Co.(Druggists) Limited (the 'company') for the year ended 31 March 2019 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information
The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
Bell,Sons & Co.(Druggists) Limited

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- The 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.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report
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 a Report of the Auditors 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.

Devender Arora ACA (Senior Statutory Auditor)
for and on behalf of PBG Associates Limited
Chartered Accountants and Statutory Auditors
65 Delamere Road
Hayes, Middx
UB4 0NN

Date: 21st May, 2019

Income Statement
for the Year Ended 31 March 2019

	Notes	2019 £	2019 £	2018 £	2018 £
TURNOVER	3		22,119,801		18,021,449
Cost of sales			18,769,081		15,389,477
GROSS PROFIT			3,350,720		2,631,972
Distribution costs		1,191,833		1,240,121	
Administrative expenses		1,368,885		1,175,762	
			2,560,718		2,415,883
			790,002		216,089
Other operating income			5,027		72,138
OPERATING PROFIT	5		795,029		288,227
Interest payable and similar expenses	6		153,533		154,313
PROFIT BEFORE TAXATION			641,496		133,914
Tax on profit	7		105,857		24,824
PROFIT FOR THE FINANCIAL YEAR			535,639		109,090

All amounts relate to continuing operations.

Bell,Sons & Co.(Druggists) Limited

Other Comprehensive Income
for the Year Ended 31 March 2019

	Notes	2019 £	2018 £
PROFIT FOR THE YEAR		535,639	109,090
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		535,639	109,090

Statement of Financial Position
31 March 2019

	Notes	2019 £	2019 £	2018 £	2018 £
FIXED ASSETS					
Intangible assets	8		23,243		16,462
Tangible assets	9		3,120,196		3,035,857
			3,143,439		3,052,319
CURRENT ASSETS					
Stocks	10	7,328,701		5,173,382	
Debtors	11	5,152,208		4,674,307	
Cash in hand & at bank		1,084,878		934,920	
		13,565,787		10,782,609	
CREDITORS					
Amounts falling due within one year	12	11,032,091		8,693,432	
NET CURRENT ASSETS			2,533,696		2,089,177
TOTAL ASSETS LESS CURRENT LIABILITIES			5,677,135		5,141,496
PROVISIONS FOR LIABILITIES	13		102,488		102,488
NET ASSETS			5,574,647		5,039,008
CAPITAL AND RESERVES					
Called up share capital	14		6,334		6,334
Revaluation reserve	15		1,037,692		1,037,692
Retained earnings	15		4,530,621		3,994,982
SHAREHOLDERS' FUNDS			5,574,647		5,039,008

The financial statements were approved by the Board of Directors on .... and were signed on its behalf by:

....

Mr. M Saldanha - Director

The notes form part of these financial statements

Bell,Sons & Co.(Druggists) Limited

Statement of Changes in Equity
for the Year Ended 31 March 2019

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 April 2017	6,334	3,885,892	1,037,692	4,929,918
Changes in equity				
Total comprehensive income	-	109,090	-	109,090
Balance at 31 March 2018	6,334	3,994,982	1,037,692	5,039,008
Changes in equity				
Total comprehensive income	-	535,639	-	535,639
Balance at 31 March 2019	6,334	4,530,621	1,037,692	5,574,647

The notes form part of these financial statements

1. **STATUTORY INFORMATION**

Bell,Sons & Co.(Druggists) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Accounting convention
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standards applicable in UK and Republic of Ireland" (FRS 102) and the requirement of Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded in nearest pound.

The financial statements have been prepared on the historical cost convention. The principle accounting policies adopted are set out below.

Going concern
At the time of approving the financial statement, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing financial statements.

Turnover
Turnover compromises revenue recognized by company in respect of goods supplied during the year, exclusive of Value Added Taxes and trade discount based on the date they are dispatched.

Revenue from sale of goods to be recognized when significant risk and reward of ownerships of goods have passed to the buyer (usually on dispatch of goods), the amount of revenue can be measured reliably, it is probable that the economic benefit associated with the transactions will flow to the entity and the cost incurred or to be incurred in respect of transactions can be measured reliably.

Intangible fixed assets other than goodwill
Intangible assets acquired separately from business are recognized at cost and are subsequently measured at cost less accumulated impairment losses. Intangible assets acquired in business combinations are recognized separately from goodwill at acquisition date if the fair value can be measured reliably.
Amortization is recognized so as to write off the cost or valuation of the assets less their residual values over their useful lives on the following basis

Product licence - 5% Straight Line

Tangible fixed assets
Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.
Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on Free hold land. depreciation provided at rates calculated to write off the cost or valuation less estimated residual value of each assets over its expected useful life, as follow;
Freehold Building 2% cost or valuation
Plant and machinery 20% reducing method

The gain or loss arising on the disposal of a asset is determined as the difference between the sale proceed and carrying value of the asset, and is credited and charged to profit or loss.

 continued...

2. **ACCOUNTING POLICIES - continued**

Impairment of Fixed Asset

At each reporting end date, the company review the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of assets is estimated in order to determine the extent of impairment loss (if any).

Whether it is not possible to estimate recoverable amount of an individual asset, the company estimate the recoverable amount of cash generating unit to which the asset belongs.

Recoverable amount is higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discontinued at their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount.

An impairment loss is recognized immediately in profit or Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as revaluation decreases.

Stocks

Stocks are stated at lower of cost and estimated selling price less costs to complete sell. Cost comprises direct materials and, where applicable, direct labour costs those overheads that have been incurred in bringing the stock to their present location and condition.

stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of carrying amount of stocks over its estimated selling price less cost to complete and sell is recognized as an impairment loss in profit or loss. Reversals of impairment losses are also recognized in profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Cash Flow Exemption

The company, being member of the group wherein the parent company prepares consolidated financial statements which are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with Financial Reporting Standard 102.

continued...

2. **ACCOUNTING POLICIES - continued**

Financial instruments
The comply elected to apply the provisions of section 11 "Basic Financial Instruments" and section 12 "other Financial Instruments Issues" of FRS 102 to all of its financial instruments.
Financial instruments are recognized in company's statement of financial position when the company became party to the contractual provisions of the instruments.
Financial assets and liabilities are offset, with the net amount presented in the financial statements. When there is a legally enforceable right to set off the recognized amount and there is an intention to settle on a net basis or to realize the net asset and settle the liability simultaneously.

Basic Financial Assets
Basic financial assets which include trade and other receivables, cash and bank balances, are initially measured at transaction price including transaction cost and are subsequently carried at amortized cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at present value of the future receipts discounted at a market rate of interest.
Trade debtor, loans and other receivables that have fixed or determinable payments that are not quoted in active market are classified as "Loans and receivables" loans and receivables are measured at amortized cost using the effective interest method, less any impairment.

Impairment of Financial Assets
Financial Assets other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial Assets are impaired where there is objective evidence that, as a result of one or more events that accrued after the initial recognition of the financial assets, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognized in profit or loss.

If there is a decrease in impairment loss arising from an event occurring after the impairment was recognized, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what carrying amount would have been, had the impairment not previously been recognized. The impairment reversal is recognized in profit or loss.

Derecognition of Financial Asset
Financial assets are derecognized only when contractual right to the cash flow from the asset expire or are settled, or when the company transfer the financial asset and substantially all the risk and reward of ownership to another entity, or if some of significant risk and rewards of ownerships are retained but control of asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of Financial Liabilities
Financial liabilities and equity instruments are classified according to the substances of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic Financial Liabilities
Basic financial liabilities include trade and other payables, bank loan, loan from fellow group companies and preference shares that are classified as debt, are initially recognized at transaction price unless the arrangement constitutes a financial transaction, where the debt instrument is measured at the present value of future payments discounted at a market rate of interest. Debt instruments are subsequently carried at cost, using effective interest rate method.

Trade payables are obligation to pay for goods and services that have been acquired in ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognized initially at transaction price and subsequently measured at amortized cost using effective interest rate method.

continued...

2. **ACCOUNTING POLICIES - continued**

Financial liabilities and equity instruments are classified according to the substance to the contractual arrangement entered into. An equity instrument is an contract that evidences a residual interest in the asset of the company after deducting all of its liabilities.

Derecognition of Financial Liability

Financial liabilities are derecognized when the company's contractual obligation expire or are discharged or cancelled.

Equity instruments

Equity instruments issued by company are recorded at the proceeds received, net of direct issue cost. dividend payable on equity instrument are recognized as liability once they are no longer at the discretion of company.

Employee benefits

The cost of short term employee benefits is recognized as a liability and an expense, unless those cost are required to be recognized as part of the cost of stock or fixed asset.Termination benefit are recognized immediately as an expense when company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

Payment to defined contribution retirement benefit schemes are charged as an expense as the fall due.

Leases

Rentals payables under operating leases, including any lease incentives received, are charged to income on a straight-line basis over the term of relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefit from the leased assets are consumed.

Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rate of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains or losses arising on translation are included in the profit and loss account for the period.

Taxation

The tax expenses represent the sum of the tax currently payable and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income and expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred Tax

Deferred tax liability is generally recognized for all timing differences and deferred tax asset is recognized to the extent that it is probable that they will be recovered against the reversal of deferred tax liability or other future taxable profits. Such assets and liabilities are not recognized if the timing differences arises from goodwill or from initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profits.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realized. Deferred tax is charged of credited in profit and loss account, except when it relates to items charged or credited directly to equity, in which case deferred tax is also dealt with in equity. Deferred tax assets and liability are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax asset and liabilities relate to taxes levied by the same tax authority.

 continued...

3. TURNOVER

An analysis of company's turnover is as follows:

	2019	2018
	£	£
Turnover		
Sale of goods	22,119,801	18,021,449

	2019	2017
Other significant revenue	£	£
Interest income	5,027	1,664
Others	-	70,474

4. EMPLOYEES AND DIRECTORS

The average monthly number of persons (including directors) employed by the company during the year was:

	2019	2018
	Number	Number
Production	130	133
Sales and Administration	22	18
Total	152	148

Their aggregate remuneration comprised

	2019	2018
	£	£
Wages and Salaries	3,555,383	3,414,461
Social Security Cost	283,798	277,053
Other Pension Cost	99,862	104,366
Total	3,939,043	3,795,880

Directors Remuneration

	2019	2018
	£	£
Remuneration for qualifying services	92,756	86,870
Company pension contributions to defined contribution schemes	6,959	6,959
Total	99,715	93,829

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1(2018-1)

continued...

5. OPERATING PROFIT

The operating profit is stated after charging/ (crediting):

	2019	2018
	£	£
Other operating leases	69,815	65,649
Depreciation - owned assets	267,949	206,216
Loss on disposal of fixed assets	5,402	6,374
Patents and licences amortisation	5,651	5,651
Cost of stock recognised as an expenses	13,673,741	10,771,312
Auditors' remuneration:		
for audit services	8,000	8,000
for other services	1000	1,000
Foreign exchange differences	(8,343)	(687)

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£	£
Bank overdraft interest payable	153,533	153,142
Bank loan interest payable	-	1,171
	153,533	154,313

7. TAXATION

	2019	2018
	£	£
Current Tax		
UK corporation tax on profits for the current period	105,857	24,824
		-

The charges for the year can be reconciled to the profit and loss account as follow:

	2019	2018
	£	£
Profit before taxation on continued operations	641,496	133,914
Profit on ordinary activities before taxation multiplied by standard rate of corporation tax of 19% (2018-19%)	121,884	25,444
Tax effect of expenses that are not deductible in determining taxable profit		1,211
Group relief	(627)	(3,563)
Difference of Capital allowances and depreciation	(16,003)	1,732
Other tax adjustments	603	-
	105,857	24,824
Tax expenses for the year		-

continued...

8. INTANGIBLE FIXED ASSETS

	Patents and licences £
COST	
At 1 April 2018	56,450
Additions	12,432
At 31 March 2019	68,882
AMORTISATION	
At 1 April 2018	39,988
Amortisation for year	5,651
At 31 March 2019	45,639
NET BOOK VALUE	
At 31 March 2019	23,243
At 31 March 2018	16,462

9. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Totals £
COST			
At 1 April 2018	2,371,743	4,487,338	6,859,081
Additions	-	355,586	355,586
Disposal	-	(206,274)	(206,274)
At 31 March 2019	2,371,743	4,636,650	7,008,393
DEPRECIATION			
At 1 April 2018	217,656	3,605,568	3,823,224
Charge for year	53,984	213,965	267,949
Eliminated on disposal	-	(202,976)	(202,976)
At 31 March 2019	271,640	3,616,557	3,888,197
NET BOOK VALUE			
At 31 March 2019	2,100,103	1,020,093	3,120,196
At 31 March 2018	2,154,087	881,770	3,035,857

Comparable historical cost for the land and building included at valuation:

	2019	2018
Cost	1,796,527	1,796,527
Accumulated depreciation	827,221	791,291
Carrying value	969,306	1,005,236

Freehold land with a valuation of £550,000 (2018: £550,000) and a cost of £ 268,500 (2018: £ 268,500) has not been depreciated. The Property was externally valued on 31st march 2013 at £2,300,000 by Edison’s Chartered Surveyors on an open market basis. The Directors are not aware of any material changes in value subsequently.

 continued...

10. STOCKS

	2019	2018
	£	£
Stocks of Raw materials and consumables	1,341,392	1,298,749
Finished goods	5,987,309	3,874,633
	7,328,701	5,173,382

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade debtors	3,250,659	3,014,956
Amounts owed by group undertakings	1,577,573	1,584,196
Prepayments and accrued income	323,976	75,155
	5,152,208	4,674,307

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade creditors	2,509,364	2,049,422
Loans and overdrafts	2,327,460	2,987,651
Amounts owed to group undertakings	5,290,450	3,011,814
Corporate tax payable	3,679	20,646
Social security and other taxes	266,668	183,036
Other creditors	34,480	12,120
Accruals and deferred income	599,990	428,743
	11,032,091	8,693,432

13. PROVISIONS FOR LIABILITIES

	2019	2018
	£	£
Deferred tax (Accelerated Capital Allowances)	102,488	102,488

These are the major deferred tax liabilities and assets recognised by the company and there were no movements in the year.

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019	2018
			£	£
6,334	Ordinary	£1	6,334	6,334

continued...

15. RESERVES

	Retained earnings £	Revaluation reserve £	Totals £
At 1 April 2018	3,994,982	1,037,692	5,032,674
Profit for the year	535,639		535,639
At 31 March 2019	4,530,621	1,037,692	5,568,313

16. FINANCIAL INSTRUMENTS

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	4,828,232	4,599,152
Carrying amount of financial liabilities		
Measured at amortised cost	10,761,744	8,489,750

17. LOANS

An analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due within one year or on demand:		
Bank overdrafts	2,327,460	2,987,651

The company's overdraft facility is secured on an all asset debenture charge creating a first charge over all free hold property and other assets within the company together with a corporate guarantee from the ultimate parent company, Marksans Pharma Limited, for the whole credit facility.

18. OPERATING LEASE COMMITMENTS

Leases

At 31 March 2019 the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	70,579	80,182
Between two and five years	78,203	78,826

19. PENSION COMMITMENTS

Defined contribution schemes
The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £ 99,862 (2018-£ 104,367)

continued...

20. RELATED PARTY TRANSACTIONS

Remuneration of key management personnel
Remuneration of key management personnel, including those who are also director, is as follow

	2019	2018
	£	£
Aggregate compensation	270,252	245,311

The company, being member of the group wherein the parent company prepares consolidated financial statements which are publicly available. Accordingly, the Company has taken the exemption from disclosing related party transactions with companies under the same control in accordance with FRS 102-Section 33 "Related Party Disclosures"

21. CONTROLLING PARTY

The immediate parent undertaking is Marksans Holdings Limited, a company incorporated in England and Wales. The company is controlled by Marksans Pharma U.K.Limited by virtue of its 100% ownership of Marksans Holdings Limited.

The parent undertaking of smallest group for which consolidated accounts are prepared is Marksans Pharma U.K. Limited. Consolidated accounts are available from Companies House, Cardiff, CF14 3UZ.The parent undertaking of largest group for which consolidated accounts are prepared is Marksans Pharma Limited, a company incorporated in India. Consolidated accounts are available from the registrar of Companies, Everest 100, Marine Drive, Mumbai-400 002, Maharashtra.

In the opinion of the directors, Marksans Pharma Limited is the company's ultimate parent company and ultimate controlling party.

22. PREVIOUS YEAR FIGURES

Previous year figures have been rearranged/ regrouped/ reclassified wherever considered necessary to facilitate comparison with the current year figures.

Strategic Report, Report of the Directors and

Financial Statements for the Year Ended 31 March 2019

for

Relonchem Limited

Contents of the Financial Statements
for the Year Ended 31 March 2019

Relonchem Limited

Company Information
for the Year Ended 31 March 2019

DIRECTORS:	Mr. M Saldanha Mrs. S Saldanha Mr. J Sharma Mr. S Jayanna
SECRETARY:	Mrs G Jacks
REGISTERED OFFICE:	27 Old Gloucester Street London WC1 3XX
REGISTERED NUMBER:	04773758 (England and Wales)
AUDITORS:	PBG Associates Limited Chartered Accountant and Registered Auditors 65 Delamere Road Hayes, Middx UB4 0NN

Relonchem Limited

Strategic Report
for the Year Ended 31 March 2019

The directors present the strategic report and financial statement for the year ended 31 March 2019.

FAIR REVIEW OF THE BUSINESS

During the period sales decreased from £24,096,505 to £ 23,828,455 and company's profit on ordinary activities before taxation was £3,713,248 (2018: £3,927,468). The directors expect turnover and the profit on ordinary activities to increase in the forthcoming years.

The company develops, registers and distributes prescription generic pharmaceuticals in the UK.

Principle risk and uncertainties arise from a competitive market.

The company is able to manage the risk by utilizing the low-cost manufacturing capability of the parent company, which also secures reliable supplies.

The company will continue to develop its product range through new product development and acquisition of licenses, to meet market needs.

The Profit for the year, after taxation, amounting to £ 3,015,830 (2018: £3,143,325 profit)

ON BEHALF OF THE BOARD:

....

Mr. M Saldanha - Director

Date: 21st May, 2019

Report of the Directors
for the Year Ended 31 March 2019

The directors present their annual report and financial statement for the year ended 31 March 2019.

PRINCIPAL ACTIVITIES
The principle activity of the company continued to be that of development, registration and distribution of generic prescription pharmaceuticals in the UK.

DIRECTORS
The directors who holds office during the year and upto the date of signature of financial statement were as follow:

Mr. M Saldanha
Mr. J Sharma
Mr. S Jayanna
Mrs. S Saldanha
Mr R D Williams (Resigned on 27th March 2019)

RESULTS AND DIVIDENDS
The results for the year are set out on page 7.
The directors do not recommend the payment of a dividend.

AUDITORS
The auditors, PBG Associates Ltd, will be proposed for re-appointment at the forth coming Annual General meeting.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing annual report and financial statement in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statement for each financial year. Under that law the directors have elected to prepare the financial statement in accordance with United Kingdom Generally Accepted Accounting Practices (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statement unless they are satisfied that they give a true and fair view of state of affairs of the company and of the profit or loss of the company for the period.in preparing these financial statements, the directors are required to:
- Select suitable accounting policies and then apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent.
- Prepare the financial statement 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 companies act 2006. They are also responsible for safeguarding the assets of the company and hence for tacking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to established that the company's auditor are aware of that information.

ON BEHALF OF THE BOARD:

....

Mr. M Saldanha - Director

Date: 21st May, 2019

Opinion

We have audited the financial statements of Relonchem Limited (the 'company') for the year ended 31 March 2019 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
Relonchem Limited

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- The 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.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report
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 a Report of the Auditors 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.

Devender Arora ACA (Senior Statutory Auditor)
for and on behalf of PBG Associates Limited
Chartered Accountant and Statutory Auditors
65 Delamere Road
Hayes, Middx
UB4 0NN

Date: 21st May, 2019

Relonchem Limited

Income Statement
for the Year Ended 31 March 2019

	Notes	2019 £	2018 £
TURNOVER	2	23,828,455	24,096,505
Cost of sales		18,542,766	18,731,137
GROSS PROFIT		5,285,689	5,365,368
Administrative expenses		1,558,004	1,403,006
		3,727,685	3,962,362
Other operating income		439	35,974
OPERATING PROFIT	4	3,728,124	3,998,336
Interest payable and similar expenses	6	14,876	70,868
PROFIT BEFORE TAXATION		3,713,248	3,927,468
Tax on profit	7	697,418	784,143
PROFIT FOR THE FINANCIAL YEAR		3,015,830	3,143,325

All amounts relate to continuing operations

Other Comprehensive Income
for the Year Ended 31 March 2019

	Notes	2019 £	2018 £
PROFIT FOR THE YEAR		3,015,830	3,143,325
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		3,015,830	3,143,325

Balance Sheet
31 March 2019

	Notes	2019 £	2019 £	2018 £	2018 £
FIXED ASSETS					
Intangible assets	9		3,182,142		2,758,120
Tangible assets	10		134,481		6,298
			3,316,623		2,764,418
CURRENT ASSETS					
Stocks	11	5,387,609		6,118,820	
Debtors	12	11,323,180		9,595,925	
Cash in hand & at bank		1,243,770		1,294,297	
		17,954,559		17,009,042	
CREDITORS					
Amounts falling due within one year	13	8,017,417		9,529,525	
NET CURRENT ASSETS			9,943,142		7,479,517
TOTAL ASSETS LESS CURRENT LIABILITIES			13,259,765		10,243,935
CAPITAL AND RESERVES					
Called up share capital	15		2,300		2,300
Share premium	16		6,909,121		6,909,121
Retained earnings	16		6,348,344		3,332,514
SHAREHOLDERS' FUNDS			13,259,765		10,243,935

The financial statements were approved by the Board of Directors on .... and were signed on its behalf by:

....
Mr. M Saldanha - Director

The notes form part of these financial statements

Statement of Changes in Equity for the Year Ended 31 March 2019

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 April 2017	2,300	189,189	6,909,121	7,100,610
Changes in equity				
Total comprehensive income	-	3,143,325	-	3,143,325
Balance at 31 March 2018	2,300	3,332,514	6,909,121	10,243,935
Changes in equity				
Total comprehensive income	-	3,015,830	-	3,015,830
Balance at 31 March 2019	2,300	6,348,344	6,909,121	13,259,765

1. **ACCOUNTING POLICIES**

Accounting policies
Company information

Relonchem Limited is a company limited by shares incorporated in England and Wales. The register office is 27 Old Gloucester Street, London, WC1 3XX

Accounting convention
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standards applicable in UK and Republic of Ireland" (FRS 102) and the requirement of Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded in nearest pound.

The financial statements have been prepared on the historical cost convention. The principle accounting policies adopted are set out below.

Going concern
At the time of approving the financial statement, the directors have a reasonable explanation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing financial statements.

Turnover
Turnover compromise revenue recognized by company in respect of goods supplied during the year, exclusive of Value Added Taxes and trade discount based on the date they are dispatched.

Revenue from sale of goods to be recognized when significant risk and reward of ownerships of goods have passed to the buyer (usually on dispatch of goods), the amount of revenue can be measured reliably, it is probable that the economic benefit associated with the transactions will flow to the entity and the cost incurred or to be incurred in respect of transactions can be measured reliably.

Intangible fixed assets other than goodwill
Intangible assets acquired separately from business are recognized at cost and are subsequently measured at cost less accumulated impairment losses. Intangible assets acquired in business combinations are recognized separately from goodwill at acquisition date if the fair value can be measured reliably.

Amortization is recognized so as to write off the cost or valuation of the assets less their residual values over their useful lives on the following basis;

Product licenses - 5% Straight Line

Tangible fixed assets
Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognized so as to write off the cost or valuation of asset less their residual values over their useful lives on the following basis;
Fixtures, Fittings and Equipment 25% reducing balances

The gain or loss arising on the disposal of a fixed assets is determined as the difference between the sale proceed and carrying value of the asset, and is credited and charged to profit or loss.

continued...

1. **ACCOUNTING POLICIES - continued**

Impairment of Fixed Assets
At each reporting end date, the company review the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of assets is estimated in order to determine the extant of impairment loss (if any). Whether it is not possible to estimate recoverable amount of an individual asset, the company estimate the recoverable amount of cash generating unit to which the asset belongs.

Recoverable amount is higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discontinued at their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as revaluation decreases.

Stocks
Stocks are stated at lower of cost and estimated selling price less costs to complete sell. Cost comprises direct materials and, where applicable, direct labour costs those overheads that have been incurred in bringing the stock to their present location and condition.

stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of carrying amount of stocks over its estimated selling price less cost to complete and sell is recognized as an impairment loss in profit or loss. Reversals of impairment losses are also recognized in profit or loss.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.
Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

continued...

1. **ACCOUNTING POLICIES - continued**

Financial instruments
The comply elected to apply the provisions of section 11 "Basic Financial Instruments" and section 12 "other Financial Instruments Issues" of FRS 102 to all of its financial instruments.
Financial instruments are recognized in company's statement of financial position when the company became party to the contractual provisions of the instruments.
Financial assets and liabilities are offset, with the net amount presented in the financial statements. When there is a legally enforceable right to set off the recognized amount and there is an intention to settle on a net basis or to realize the net asset and settle the liability simultaneously.

Basic Financial Assets
Basic financial assets which include trade and other receivables, cash and bank balances, are initially measured at transaction price including transaction cost and are subsequently carried at amortized cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at present value of the future receipts discounted at a market rate of interest.
Trade debtor, loans and other receivables that have fixed or determinable payments that are not quoted in active market are classified as "Loans and receivables" loans and receivables are measured at amortized cost using the effective interest method, less any impairment.

Impairment of Financial Assets
Financial Assets other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date. Financial Assets are impaired where there is objective evidence that, as a result of one or more events that accrued after the initial recognition of the financial assets, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognized in profit or loss.

If there is a decrease in impairment loss arising from an event occurring after the impairment was recognized, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what carrying amount would have been, had the impairment not previously been recognized. The impairment reversal is recognized in profit or loss.

De-recognition of Financial Asset
Financial assets are derecognized only when contractual right to the cash flow from the asset expire or are settled, or when the company transfer the financial asset and substantially all the risk and reward of ownership to another entity, or if some of significant risk and rewards of ownerships are retained but control of asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of Financial Liabilities
Financial liabilities and equity instruments are classified according to the substances of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic Financial Liabilities
Basic financial liabilities include trade and other payables, bank loan, loan from fellow group companies and preference shares that are classified as debt, are initially recognized at transaction price unless the arrangement constitutes a financial transaction, where the debt instrument is measured at the present value of future payments discounted at a market rate of interest. Debt instruments are subsequently carried at cost, using effective interest rate method.

Trade payables are obligation to pay for goods and services that have been acquired in ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognized initially at transaction price and subsequently measured at amortized cost using effective interest rate method.
Financial liabilities and equity instruments are classified according to the substance to the contractual arrangement entered into. An equity instrument is an contract that evidences a residual interest in the asset of the company after deducting all of its liabilities.

continued...

1. **ACCOUNTING POLICIES – continued**

De-recognition of Financial Liability
Financial liabilities are derecognized when the company's contractual obligation expire or are discharged or cancelled.

Equity instruments
Equity instruments issued by company are recorded at the proceeds received, net of direct issue cost. dividend payable on equity instrument are recognized as liability once they are no longer at the discretion of company.

Employee benefits
The cost of short term employee benefits is recognized as a liability and an expense, unless those cost are required to be recognized as part of the cost of stock or fixed asset. Termination benefit are recognized immediately as an expense when company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement Benefits
Payment to defined contribution retirement benefit schemes are charged as an expense as the fall due.

Leases
Rentals payables under operating leases, including any lease incentives received, are charged to income on a straight-line basis over the term of relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefit from the leased assets are consumed.

Foreign Exchange
Transactions in currencies other than pounds sterling are recorded at the rate of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains or losses arising on translation are included in the profit and loss account for the period.

Judgement and key sources of estimation uncertainty
In the application of the company's accounting policies, the directors are required to make judgements, estimated and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered to be relevant. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates is revised where the revision effects only that period, or in the period of revision and future periods where the revision affects both current and future periods.

Critical Judgements
The following judgements (apart from those involving estimates) had the most significant effect on amount recognized in the financial statements.

Amortization of Product Licenses
The annual amortization charge for intangible assets is sensitive to changes in the estimated lives and residual values of assets. The useful economic lives and residual values are reviewed annually. These reviews require an estimation of how long each license is expected to be used based on expected sales of those licensed products. See note 9 for the carrying amount of the intangible assets and note 1 on Accounting Policies for the useful economic lives for each class of assets.

2. **TURNOVER**
An analysis of the company's turnover is as follows:

	2019	2018
	£	£
Turnover		
Sale of goods	23,828,455	24,096,505

The analysis of turnover by geographical markets has been omitted as the directors consider that this would be prejudicial to the interest of the company's trade.

continued...

3. EMPLOYEES AND DIRECTORS

The average monthly number of persons (including directors) emloyed by the company during the year was:

	2019 Number	2018 Number
	12	9

Their aggregate remuneration comprised of:

Wages and salaries	696,350	683,180
Social security costs	69,395	76,353
Other pension costs	33,030	29,233
	798,775	788,766

Director's Remuneration

	2019 £	2018 £
Remuneration for qualifying services	190,653	257,779

4. OPERATING PROFIT

The operating profit (2018 - operating Profit) is stated after charging/ (crediting):

	2019 £	2018 £
Operating lease rents	29,297	26,572
Depreciation of owned tangible fixed assets	36,583	3,630
Amortisation of Intangible assets	294,177	258,266
Cost of stock recognised as expenses	16,825,211	17,002,072

5. AUDITORS' REMUNERATION

Fees payable to the company's auditor and its associates:

	2019 £	2018 £
For audit services		
Audit of the company's financial statements	8,000	8,000
For other services	1,000	1,000

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019 £	2018 £
Bank interest on loans and overdraft	14,876	70,868

continued...

7. TAXATION

	2019	2018
	£	£
Current tax		
UK corporation tax on profits for the current period	697,418	784,143

The charge for the year can be reconciled to the (loss)/profit per the profit and Loss account as follows:

	2019	2018
	£	£
Profit before Taxation on continued operations	3,713,248	3,927,468
Profit on ordinary activities before taxation multiplied by standard Rate of corporation tax of 19% (2018-19%)	705,517	746,219
Tax effect of expenses that are not deductible in determining taxable profit	5,196	3,042
Unutilized tax losses carry forward	-	-
Group relief	-	-
Capital allowances for period in excess of depreciation	(13,295)	34,882
	(8,099)	37,924
Tax expense for the year	697,418	784,143

8. OPERATING LEASES COMMITMENTS

At 31 March 2019 the company had annual commitments under non-cancellable operating leases as follows:

	2019	2018
	£	£
Expiry Date:		
Within one year	145,010	167
Between two and five year	9,39,388	
After five year	1,731,648	

9. INTANGIBLE FIXED ASSETS

	Development costs
	£
COST	
At 1 April 2018	5,165,350
Additions	718,199
At 31 March 2019	5,883,549
AMORTISATION	
At 1 April 2018	2,407,230
Amortisation for year	294,177
At 31 March 2019	2,701,407
NET BOOK VALUE	
At 31 March 2019	3,182,142
At 31 March 2018	2,758,120

continued...

10. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1 April 2018	18,151
Additions	164,766
At 31 March 2019	182,917
DEPRECIATION	
At 1 April 2018	11,853
Charge for year	36,583
At 31 March 2019	48,436
NET BOOK VALUE	
At 31 March 2019	134,481
At 31 March 2018	6,298

11. STOCKS

	2019 £	2018 £
Finished goods and goods for resale	5,387,609	6,118,820

Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	11,132,816	9,585,883
Carrying amount of financial liabilities		
Measured at amortised cost	7,573,421	8,688,618

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade debtors	4,387,233	3,351,381
Amounts owed by group undertakings	6,696,089	6,178,474
Other debtors	49,494	56,028
Prepayments and accrued income	190,364	10,042
	11,323,180	9,595,925

continued...

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade creditors	602,298	618,797
Loans and overdrafts	181,622	692,775
Amounts owed to group undertakings	5,928,545	7,128,475
Corporation tax payable	409,942	779,875
Social security and other taxes	28,054	61,032
Accruals and deferred income	860,956	248,571
	8,011,417	9,529,525

14. CASH FLOW EXEMPTION

The company, being member of the group wherein the parent company prepares consolidated financial statements which are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with Financial Reporting Standard 102.

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019 £	2018 £
2,300	Ordinary share capital	£1	2,300	2,300

16. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 April 2018	3,332,514	6,909,121	10,241,635
Profit for the year	3,015,830		3,015,830
At 31 March 2019	6,348,344	6,909,121	13,257,465

17. LOANS

An analysis of the maturity of loans is given below:

	2019	2018
	£	£
Amounts falling due within one year or on demand:		
Bank overdraft	181,622	692,775

The company's overdraft facility is secured on an all asset debenture charge creating a first charge over all freehold property and other assets within the company together with a corporate together with a corporate guarantee from the ultimate parent company, Marksans Pharma Limted , for the whole credit facility.

18. PENSION COMMITMENTS

Defined contribution schemes
The company operated a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.
The charge to profit and loss in respect of defined contribution schemes was £ 33,030 (2018-£ 29,233)

continued...

19. RELATED PARTY TRANSACTIONS

Remuneration of key management personnel
Remuneration of key management personnel, including those who are also director, is as follow

	2019	2018
	£	£
Aggregate compensation	191,310	322,374

The company, being member of the group wherein the parent company prepares consolidated financial statements which are publicly available. Accordingly, the Company has taken the exemption from disclosing related party transactions with companies under the same control in accordance with FRS 102-Section 33 "Related Party Disclosures"

At the yearend a balance of £40,000 (2018- £40,000) was due to Relonchem from Satish Kumar, a director of the company

20. CONTROLLING PARTY

The immediate parent undertaking is Marksans Pharma U.K Limited. The parent undertaking of the smallest group for which consolidated accounts are prepared is Marksons Pharma U.K. Limited. Consolidated accounts are available from Companies House, Cardiff, CF 14 3 UZ.

The Parents undertaking of the largest group for which consolidated accounts are prepared is Marksans Pharma Limited, a company incorporated in India. Consolidated accounts are available from the Registrar of Companies, Everest 100, Marine Drive, Mumbai- 400 002, Maharashtra.

In the opinion of the directors, Marksans Pharma Limited is the company's Ultimate parent Company and ultimate controlling party.

21. PREVIOUS YEAR FIGURES

Previous year figures have been rearranged/ regrouped/ reclassified wherever considered necessary to facilitate comparison with the current year figures.

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD

ACN 104 838 440

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NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

DIRECTORS' REPORT

The Directors present their report on the Company for the financial year ended 31st March 2019 as follows:-

1. DIRECTORS

The names of the Directors in office since the start of the financial year to the date of this report, unless otherwise stated, are:

H Mohammed	O Mohammed
M Saldanha	J M P Sharma

2. PRINCIPAL ACTIVITY

The principal activity of the Company during the financial year was that of Medicines Wholesaling.No significant change in the nature of these activities occurred during the year.

3. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No significant changes in the company's state of affairs occurred during the year.

4. REVIEW OF OPERATIONS

During the year ended 31st March 2019 the company earned a profit after tax of $1,906,399.

5. EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or state of affairs of the company in future financial years.

6. LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Likely developments in the operations of the company and the expected results of those operations in the future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

7. ENVIRONMENTAL REGULATION

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

8. DIVIDENDS

Dividends paid during the year amounted to $1,153,562. The Directors decided that no final dividends be declared for the year ended 31st March 2019.

9. OPTIONS

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

10. INDEMNIFICATION OF OFFICERS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

11. PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Signed by a Director.

....Director

Dated at Bella Vista this 26th day of April 2019.

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD

ACN 104 838 440

DIRECTORS' DECLARATION

The directors have determined that the company is not a reporting entity. The directors have determined that this special purposes financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes present fairly the company's financial position as at 31st March 2019 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors:

.... Director

Dated at Bella Vista this 26th day of April 2019.

CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

DARSHAN DHILLON
Bsc(Hons), DMA,CA
Chartered Accountant, Tax Agent

Telephone: (02)9876 2678
Facsimile: (02)9876 1164
Email: darshan.info@bigpond.com

INDEPENDENT ACCOUNTANT'S REPORT TO

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD

Scope

I have prepared the acompanying special purpose financial statements of NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD, which comprise the statement of financial position as at 31st March 2019, the statement of comprehensive income, the statement of profit or loss, the trading account, the notes to the financial statements, and the statement of cashflows for the year then ended.

The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1.

The Responsibility of the Directors of NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD

The directors of NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD are solely responsible for the information contained in the special purpose financial statements and have determined that the significant accounting policies adopted as set out in Note 1 to the financial statements are appropriate to meet their needs and for the purpose that the financial statements were prepared.

My Responsibility

On the basis of information provided by the directors of NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD, I have prepared the accompanying special purpose financial statements in accordance with the significant accounting policies adopted as set out in Note 1 to the financial statements.

Dated at Epping, this 26th day of April 2019

D. Dhillon
Darshan Dhillon

Street Address: Suite 1/11 Bridge Street,Epping, NSW, 2121

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2019

	NOTE		2018
CURRENT ASSETS			
Cash	2	1,027,412	2,826,403
Receivables	3	3,262,757	2,005,272
Inventories	4	3,791,306	2,364,721
		8,081,475	7,196,396
NON-CURRENT ASSETS			
Investments	5	94	94
PROPERTY PLANT AND EQUIPMENT	6	90,720	105,725
		90,814	105,819
TOTAL ASSETS		8,172,289	7,302,215
CURRENT LIABILITIES			
Creditors & Borrowings	7	2,717,975	2,727,044
Provisions	8	126,306	-
		2,844,281	2,727,044
TOTAL LIABILITIES		2,844,281	2,727,044
NET ASSETS	$	5,328,008$	4,575,171
SHARE CAPITAL AND RESERVES			
Share Capital		150	150
Accumulated Profit		5,327,858	4,575,021
TOTAL CAPITAL & RESERVES	$	5,328,008$	4,575,171

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2019

	NOTE		2018
Profit Before Income Tax		2,639,957	1,971,976
Income Tax Expense		733,558	537,995
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,906,399	1,433,981
Retained Profits at July 1		4,575,021	3,141,040
PROFIT AVAILABLE FOR APPROPRIATION		6,481,420	4,575,021
Dividends		1,153,562	-
RETAINED PROFITS	$	5,327,858$	4,575,021

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31ST MARCH 2019

	NOTE	2018
INCOME		
Gross Profit Trading	7,832,541	6,276,366
Interest Received	1,966	241
TOTAL INCOME	7,834,507	6,276,607
EXPENSES		
Accountancy	7,522	6,372
Advertising & Selling	617,667	557,129
Audit & Inspections	7,571	122,482
Bad Debts/(Recoveries)	35,067	-
Bank Charges	927	994
Cleaning	3,750	3,850
Consultants Fees	284,313	235,156
Computer Supplies	2,534	14,257
Depreciation	27,667	24,396
Electricity	5,215	5,229
Filing Fees	641	375
Freight & Cartage	861,269	767,348
Insurance	27,062	33,473
Interest	-	1,019
Licences & Registrations	688,363	511,263
Motor Vehicle Expenses	7,746	6,187
Office Expenses	12,884	10,095
Payroll Tax	41,671	34,738
Printing & Stationery	5,206	2,373
Rent	238,093	185,400
Repairs & Maintenance	915	1,832
Salaries	1,670,518	1,267,896
Staff Recruitment&Amenities	3,595	11,787
Storage	226,277	157,307
Superannuation	171,839	119,500
Telephone & Internet	13,292	12,330
Testing Fees	28,300	76,883
Travelling Expenses	70,576	41,244
Warehouse Expenses	134,070	93,716
TOTAL EXPENSES	5,194,550	4,304,631
OPERATING PROFIT BEFORE INCOME TAX	2,639,957	1,971,976
Income Tax Expense	733,558	537,995
OPERATING PROFIT FOR THE YEAR	1,906,399	1,433,981

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31ST MARCH 2019

	NOTE		2018
OPERATING PROFIT AND EXTRAORDINARY ITEMS		1,906,399	1,433,981
Retained Profits at July 1		4,575,021	3,141,040
PROFIT AVAILABLE FOR APPROPRIATION		6,481,420	4,575,021
Dividends			
Ordinary Dividend Paid		1,153,562	-
RETAINED PROFITS	$	5,327,858$	4,575,021

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

TRADING ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2019

	NOTE		2018
Sales		20,169,348	17,068,848
LESS COST OF SALES			
Opening Stock		2,364,721	2,812,455
Purchases		13,784,322	10,506,497
Foreign Exchange		(20,929)	(161,749)
		16,128,114	13,157,203
Closing Stock		3,791,307	2,364,721
		12,336,807	10,792,482
TOTAL TRADING PROFIT		$ 7,832,541	$ 6,276,366

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019

NOTE 1 - Statement of Significant Accounting Policies

Nova Pharmaceuticals Australasia Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

Basis of Preparation

The directors have prepared the financial statements on the basis that the company is a non-reporting entity beacause there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members and to meet the requirements of the Corporations Act 2001. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report has been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members.Such accounting policies are consistent with the previous period.

The financial statements have been prepared on an accruals basis and are based on historic costs and do not take into account changing money values. The amounts presented in the financial statements have been rounded to the nearest dollar.

The significant accounting policies that have been adopted in the preparation of the financial statements are as follows:

1) Income Tax

The income tax expense,if any, for the year comprises current income tax expense. Current income tax charged to the profit or loss is the tax payable on income calculated using applicable income tax rates appicable at the end of the reporting period.

2) Property, Plant & Equipment

All depreciable assets are depreciated over their useful lives of 3-8 years, using straight line basis. Depreciation commences from the time the asset is available for its intended use. The carrying amount is reviewed annually by directors to ensure it is not in excess of the recoverable amount.

3) Trade and Other Receivables

Trade receivables at measured at transaction price less any provision for impairment.

4) Inventories

The inventories held at the balance sheet date are measured at lower of cost and the net realisable value.

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019

5)Provisions

Provisions are recognised when the company has a legal or constructive obligation, for which it is probable that an outflow of economic benefits will result.The provision is the best estimate of the amounts required to settle the obligation at the end of the reporting period.

6) Revenue

All revenue is stated net of, if any, goods and services tax. Revenue is measured at the value of the consideration received or receivable.

7) Leases

Lease payments for operating leases are recognised as expenses on a straight-line basis over the lease term.

8) Critical Accounting Estimates

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information.

The registered office and the principal place of business of the company is at Suite 305, 10 Norbrik Drive, Bella Vista, NSW, 2153.

		2018
NOTE 2 - Cash		
Cash in Hand	991	654
Westpac Cheque account	1,025,947	1,374,160
Westpac Maxi-Business account	13	1,016,200
USD account	461	435,389
	$ 1,027,412	$ 2,826,403

NOTE 3 - Current		
Trade Debtors	2,447,560	1,685,685
Income Tax Refund due	-	76,026
Prepayments	40,923	21,174
Payments-in-Advance	770,439	222,387
Deposits Refundable	3,835	-
	$ 3,262,757	$ 2,005,272

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2019

		2018
NOTE 4 - Current		
Stock on Hand	$ 3,791,306	$ 2,364,721
NOTE 5 - Non Current		
Shares in Nova Pharmaceuticals Ltd-Wholly owned subsidiary	$ 94	$ 94
NOTE 6 - PROPERTY PLANT AND EQUIPMENT		
Office Equipment - at Cost	36,325	23,662
Less Prov'n for Depreciation	18,123	12,140
	18,202	11,522
Motor Vehicles - at Cost	148,193	148,193
Less Prov'n for Depreciation	92,549	73,275
	55,644	74,918
Warehouse Equipment-at Cost	30,000	30,000
Less Prov'n for Depreciation	13,126	10,715
	16,874	19,285
	$ 90,720	$ 105,725
NOTE 7 - Current		
Trade Creditors	2,660,299	2,696,572
Accrued Expenses	57,676	30,472
	$ 2,717,975	$ 2,727,044
NOTE 8 - Current		
Provision for Income Tax	$ 126,306	$ -

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
A.C.N 104 838 440
STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31ST MARCH 2019

		2019		2018
Cashflows used by Operating Activities:				
Receipts from Customers		19,372,406		17,803,100
Payments to Suppliers & Employees		-20,007,139		-15,131,584
Interest Received		1,966		241
Interest Paid				-1,019
Net Cash used by Operating Activities(per Note below):		-632,767		2,670,738
Cashflows to Investing Activities:				
Payments for Equipment		-12,662		-13,580
Cashflows to Financing Activities				
Dividends Paid		-1,153,562		
Net Decrease in Cash		-1,798,991		2,657,158
Cash at the beginning of the financial year		2,826,403		169,245
		1,027,412		2,826,403
Cash at the end of the Financial year:				
Petty Cash	991		654	
Cheque account	1,025,947		1,374,160	
USD account	461		435,389	
Maxi Business account	13	1,027,412	1,016,200	2,826,403

Note to the Statement of Cashflows

Reconciliation of Net Cash used by Operating Activities to Profit after Income Tax for the financial year:

	2019	2018
Profit after Income Tax	1,906,399	1,433,981
Depreciation	27,667	24,396
Increase in Inventory	-1,426,585	447,734
Decrease in Trade Creditors & Accruals	-9,069	88,225
Increase in Income Tax Payable	202,332	174,127
Increase in Trade Debtors & Prepayments	-1,333,511	502,275
Net Cash used by Operating Activities	-632,767	2,670,738