

Special Purpose Financial Statements and Independent Auditors' Report
for the period April 1, 2023 to March 31, 2024

ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC

Dubai, United Arab Emirates

ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC
Dubai, United Arab Emirates

ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC (License number: 835814)

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ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC
Dubai, United Arab Emirates

ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC (License number: 835814)

Manager's Report for the period April 1, 2023 to March 31, 2024

The Manager has great pleasure in presenting his report together with the audited special purpose financial statements.

BUSINESS

ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC (the Company) is a limited liability company registered on 12th May 2019 in Dubai, United Arab Emirates under License No. 835814 issued by Government of Dubai.

ACTIVITY

The principal activity of the company is medicinal chemical trading, medical surgical articles and requisites trading, people of determination equipment trading, paper products trading, laboratories tools and requisites trading, baby care requisites trading and para pharmaceutical products trading.

BUSINESS REVIEW

During the period April 1, 2023 to March 31, 2024, the results of the Company were as follows:

Particulars	April 1, 2023 March 31, 2024 AED	April 1, 2022 March 31, 2023 AED
Revenue	7,480,695	10,007,559
Net profit	3,069,549	3,675,132

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Manager's Report...continued

EVENT AFTER YEAR END

In the opinion of the Manager, no item, transaction or event of a material and unusual nature arisen in the interval between the end of the financial period and the date of this report which is likely to affect, substantially the result of the operations of the Company for the financial period then ended.

MANAGER

During the period, Mr. Wael Aly Selim Mohamed Ayad served as the Manager of the Company.

MANAGER'S RESPONSIBILITIES

The Manager is required to prepare the financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss for the period then ended. The Manager hereby confirms the following:

- i. In the preparation of the special purpose financial statements, the applicable accounting standards have been followed;
- ii. The special purpose financial statements are prepared for the period April 1, 2023 to March 31, 2024.
- iii. The Manager has selected the accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the states of affairs of the Company as at the end of the financial period and of the profit or loss of the company for the period;
- iv. The Manager has taken proper and sufficient care for the maintenance of adequate: accounting records relevant to proper safeguarding of the company's assets and for preventing and detecting fraud and other irregularities;
- v. The Manager has prepared the special purpose financial statements on going concern basis. For the year April 1, 2023 to March 31, 2024, the Company earned revenue of AED 7,480,695(March 31, 2023- AED 10,007,559) and profit of AED 3,069,549 (March 31, 2023- AED 3,675,132)

AUDITORS

The auditors, H A A Auditing were appointed as auditor for the period April 1, 2024 to March 31, 2025.

ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC
Dubai, United Arab Emirates

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Manager's Report...continued

DISCLOSURE OF INFORMATION TO AUDITOR

The manager who held office at the date of approval of this Manager's report confirms that, so far they are aware, there is no relevant audit information of which the Auditors are unaware and they have taken all the steps that they ought to have taken as Manager to make themselves aware of any relevant audit information and to establish that the Auditors are aware of that information.

However, the Manager indemnifies the Auditors for any action taken in respect of UAE laws and acknowledges that the Auditors are absolved from third party claims on the basis that the Company's provision of (or omission to provide) information is an exempting "act of third party".

ACKNOWLEDGMENT

The Manager wishes to place on record his appreciation of the services rendered by all the employees of the Company and his gratitude to the various departments of Governments, business associates and auditors for their support.

For and on behalf of Access Healthcare for Medical Products LLC

Manager

Wael Aly Selim Mohamed Ayyad



Date 30/04/2024

Dubai, United Arab Emirates



HAA Auditing

Auditors & Accountants

Report of the Independent Auditor's to the Members of

ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC (License number: 835814)

OPINION

We have audited the special purpose financial statements of **Access Healthcare for Medical Products LLC** ("the Company") for the period April 1, 2023 to March 31, 2024, as described in note 2 of the special purpose financial statement, which comprise the Statement of financial position as on March 31, 2024, Statement of profit and loss and other comprehensive income, Statement of changes in equity, Statement of cash flows for the period then ended and Notes to the special purpose financial statements, including a summary of significant accounting policies.

In our opinion the special purpose financial statements as described in note 2 of the special purpose financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March, 2024 and of its profits for the period then ended;
- have been properly prepared in accordance with International Financial Reporting Standards and
- have been prepared in accordance with the requirements of UAE Federal Law.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the special purpose financial statements section of our report. We are independent of the Company in accordance with the International ethical Standards Board for Accountants Code of Ethics for professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER

These special purpose financial statements of the Company are prepared as per fair presentation framework in accordance International Financial Reporting Standards (IFRS), for the limited purpose, solely for the information of the Company, its holding company and the statutory auditors of the holding company viz., M S K A & Associates for the purpose of consolidation of financial statements of the holding company viz., Marksans Pharma Limited.

These special purpose financial statements do not contain certain disclosures and explanatory notes that would otherwise be required for a complete set of financial statements. These are special purpose financial statements, accordingly, should not be construed as the general-purpose financial statements. As a result, these special purpose financial statements may not be suitable for any other purpose.

Our report is intended solely for the preparation of special purpose financial statements of the company and should not be distributed to or used by any other party. Our Opinion is not modified in respect of the above matter.





HAA Auditing

Auditors & Accountants

Report of the Independent Auditor's.....continued

OTHER MATTER

The financial statements for the period ended March 31, 2023 were not audited, however special purpose audit was performed for 10 month period July 1, 2022 to March 31, 2023. We have performed our audit procedures to confirm the opening balances as at March 31, 2023 and comparative balances for the period April 1, 2022 to March 31, 2023. Our opinion is not modified in respect of these matters.

RESPONSIBILITIES OF MANAGER

The manager is responsible for the preparation and fair presentation of these special purpose financial statements in accordance with International Financial Reporting Standards, and for such internal control as the managers determine necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, Manager is 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 managers either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the special purpose 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 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 special purpose financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the special purpose financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis of our opinion.
- The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.





HAA Auditing

Auditors & Accountants

Report of the Independent Auditor's.....continued

- Conclude on the appropriateness of Management's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special purpose financial statements or, if such disclosures are inadequate, to modify our opinion.
- Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Special purpose financial statements, including the disclosures, and whether the Special purpose financial statements represent the underlying transaction and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We also confirm that, in our opinion, the special purpose financial statements for the period April 1, 2023 to as at March 31, 2024 of **ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC** include, in all material aspects, the applicable requirements of the UAE Federal Law No 32 of (2021). We further confirm that proper financial records have been kept by the Company and the contents of the Manager's report relating to these Special purpose financial statements are in agreement with the Company's financial records. We have obtained all the information and explanations which are required for the purpose of our audit and, to the best of our knowledge and belief, no violations of the above-mentioned law have occurred during the period which would have had a material effect on the business of the Company or on its financial position as at March 31, 2024.

Hussain Ali Abdulla Alabdouli

For **H A A Auditing**

Chartered Accountants

Audit Licence No 845, United Arab Emirates

Ministry of Economy (Audit Division)

Date: April 30, 2024



ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC
Dubai, United Arab Emirates

Statement of Financial Position as at March 31st 2024

	Notes	March 31, 2024 AED Audited	March 31, 2023 AED Unaudited
Non Current Asset			
Property, plant and equipment	4	4,496	13,390
Total Non Current Assets (A)		4,496	13,390
Current Assets			
Cash and Cash Equivalents	5	7,970,993	5,358,534
Inventory		567,765	689,289
Accounts receivable		2,061,083	1,615,862
Other Current Assets	6	380,719	307,844
Total Current Assets (B)		10,980,561	7,971,529
Total Assets (A)+(B)		10,985,057	7,984,918
Shareholders' Fund			
Share capital	7	324,000	324,000
Reserves and surplus	8	10,099,016	7,029,468
Total equity (C)		10,423,016	7,353,468
Non-current liabilities			
Provision for end of service benefits		40,600	31,850
Total non-current liabilities (D)		40,600	31,850
Current liabilities			
Accounts payable		3,703	114,882
Accrued expenses and provisions	9	517,737	484,719
Total current liabilities (E)		521,440	599,601
Total Equity and Liabilities (C)+(D)+(E)		10,985,057	7,984,918

The Special purpose financial statements were approved and authorized for issue by the management on 30/04/2024 and signed on its behalf by

Manager

Wael Aly Selim Mohamed Ayyad

Date- 30/04/2024




The accompanying notes are an integral part of the Special purpose financial statements

ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC
Dubai, United Arab Emirates

Statement of Profit and Loss and Comprehensive Income for the year ended March 31st 2024

		April 1, 2023 March 31, 2024	April 1, 2022 March 31, 2023
	Notes	AED Audited	AED Unaudited
Revenue		7,480,695	10,007,559
Cost of sales		(2,266,306)	(3,842,370)
Gross profit		5,214,389	6,165,189
General and administrative expenses	10	(2,083,973)	(2,461,233)
Depreciation and amortization	4	(8,894)	(10,405)
Earnings before interest and tax		3,121,522	3,693,551
Finance (expense) / income (net)		16,027	(6,420)
Net profit before tax		3,137,549	3,687,132
Provision for tax	11	(68,000)	-
Net profit after tax		3,069,549	3,687,132
Transfer to Statutory Reserve		-	(12,000)
Net profit		3,069,549	3,675,132
Other comprehensive income		-	-
Total Comprehensive Income		3,069,549	3,675,132

The results of operations are from continuing operations



The accompanying notes are an integral part of the Special purpose financial statements.

ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC
Dubai, United Arab Emirates

Statement of Changes in Equity for the period ended 31st March, 2024.

	Share capital	Share premium	Statutory reserve	Accumulated profit	Total equity
	AED	AED	AED	AED	AED
As at April 1, 2022	300,000	-	150,000	6,345,023	6,795,023
Movement during the year	24000	976000	12000	(4,128,687)	(3,116,687)
					-
Total comprehensive profit for the period April 1, 2022 to March 31, 2023.				3,675,132	3,675,132
As at March 31, 2023 (Unaudited)	324,000	976,000	162,000	5,891,468	7,353,468
Total comprehensive profit for the period April 1, 2023 to March 31, 2024.	-	-	-	3,069,549	3,069,549
As at March 31, 2024 (Audited)	324,000	976,000	162,000	8,961,016	10,423,016

During the previous period, the ownership of the Company has changed and 100% shares have been transferred to Marksans Pharma Limited(Marksans), Public listed company in India on Bombay stock Exchange and National Stock Exchange. Additional 24 nos of shares were issued by the company to Marksans Pharma Limited. The Company issued 324 shares at a premium of AED 3,012 per share with total consideration of AED 1,300,000.

The accompanying notes are an integral part of the Special purpose financial statements.

ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC
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Statement of Cash flows for the year ended 31 March 2024

	March 31, 2024 AED Audited	March 31, 2023 AED Unaudited
Cash flow from operating activities		
Profit Before Tax	3137,549	3,675,132
Adjustment for Depreciation	8,894	10,405
Transfer to statutory reserve	-	12,000
Working capital adjustments		
Decrease in inventories	121,523	720,396
(Increase)/ Decrease in Other current assets	(72,875)	375,512
(Increase) in Accounts receivable	(445,221)	1,900,358
Increase / (Decrease) in current liabilities	(34,982)	279,533
Increase / (Decrease) in Accounts payable	(111,179)	114,882
Increase in provision for end of service benefits	8,750	7,026
Net cash flows from operating activities	2,612,459	7,095,243
Cash flow from Investing Activities		
Purchase of property, plant and equipment	-	(1,809)
Net cash used in Investing Activities	-	(1,809)
Cash flow from Financing Activities		
Share Capital received	-	24,000
Share premium received	-	976,000
Shareholders Current Account	-	(4,128,687)
Net cash used in financing activities	-	(3,128,687)
Net Increase in cash and cash equivalents	2,612,459	3,964,748
Cash and cash equivalents at the beginning of the period	5,358,534	1,393,787
Cash and cash equivalents at the end of the period	7,970,993	5,358,534

The accompanying notes are an integral part of the financial statement



ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC

Dubai, United Arab Emirates

Notes forming part of the financial statements for the year ended March 31, 2024.

1. CORPORATE INFORMATION

ACCESS HEALTHCARE MEDICAL PRODUCTS LLC (the Company) is a limited liability company registered on 12th May 2019 in Dubai, United Arab Emirates under License No. 835814 issued by Government of Dubai.

The principal activity of the company is medicinal chemical trading, medical surgical articles and requisites trading, people of determination equipment trading, paper products trading, laboratories tools and requisites trading, baby care requisites trading and para pharmaceutical products trading.

The company is a 100% subsidiary of Marksans Pharma Limited(Marksans), Public listed company in India on Bombay stock Exchange and National Stock Exchange, which was acquired by Marksans Pharma Limited on June 6, 2022.

The registered office of the company is situated at Office No.2009, DM.160, 343 Sh. Zayed Road, Al Mazaya Centre, P.O Box :334152

The Company is managed by Mr. Wael Aly Selim Mohamed Ayyad, Egypt National.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation

- i. This special purpose financial statement is prepared for inclusion in the consolidated financial statement of the Ultimate Holding Company (Marksans Pharma Limited). The company follows financial year, however, since the company was acquired by Marksans Pharma Limited on June 6, 2022, special purpose financial statements have been prepared for the period April 1, 2023 to March 31, 2024 for the purpose of inclusion in the annual report of Marksans Pharma Limited. The previous period audit was conducted for the period subsequent to acquisition for the period June 1, 2022 to March 31, 2023, however the previous year financials for the period April 1, 2022 to March 31, 2023 have not been audited.
- ii. These special purpose financial statements have been prepared in accordance with the International Financial Reporting Standards ('IFRSs') and UAE Federal Laws and its latest amendments, wherever applicable.
- iii. These special purpose financial statements have been prepared under the historical cost convention. The fair/ net realizable value concept of measurement of assets and liabilities has also been applied wherever applicable under IFRS.
- iv. The special purpose financial statements of the Company has been prepared on going concern basis.
- v. These special purpose financial statements do not contain certain disclosures and explanatory notes that would otherwise be required for a complete set of financial statements.



ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC

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Notes forming part of the financial statements for the year ended March 31, 2024.

b. Basis of accounting

These special purpose financial statements are prepared under the accrual basis of accounting except provision for employee entitlement to annual leave. Under the accrual basis of accounting, transactions and events are recognized when they occur (and not as cash or its equivalent is received or paid) and they are recorded in the accounting records and reported in the Special purpose financial statements of the periods to which they relate.

c. Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. The cost of property plant and equipment is their purchase price together with any incidental expenses. During the period, the company has office equipment, furniture and fixtures and computer and accessories as property, plant and equipment. Depreciation is calculated on the straight line method for a period of 4 years from the date of purchase to reduce the cost of assets to their estimated residual values over their expected useful lives.

d. Receivables

Provision for doubtful recovery is based on estimation, however, reliability is re-assessed at the end of every financial period and additional provisions are created on the basis of risks involved. Management considers that all the receivables are fully realizable, hence no provision is created.

e. Current or Non-current classification

The entity presents assets and liabilities in statement of financial position based on current/noncurrent classification

An asset is current when it is:

Expected to be realized or intended to be sold or consumed In normal operating cycle or held primarily for the purpose of trading or expected to be realized within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when:

It is expected to be settled in normal operating cycle or it is held primarily for the purpose of trading or it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

f. Revenue recognition

Revenue is recognized when control of the goods are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods and when there are no longer any unfulfilled obligations.



g. Functional and presentation currency

Items included in the Special purpose financial statements of the entity are measured using the currency of the primary economic environment in which the Company operates ('the Functional currency'). The Special purpose financial statements of the Company are presented in UAE Dirhams ('AED'), which is the Company's functional and presentation currency. All the amounts represented in 'AED' have been rounded off to the nearest AED.

h. Foreign currency transactions

Foreign currency transactions are recorded in U.A.E Dirhams at the approximate rate of exchange ruling at the time of the transactions. Assets and liabilities expressed in foreign currencies at the statement of financial position date are translated into U.A.E Dirhams at the year end rate of exchange. All foreign currency gains or losses are booked in the statement of comprehensive income as and when they arise.

i. Impairment of tangible assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exist, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units or otherwise they are allocated to smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

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 discounted to their present value using a 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 estimating to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior periods. A reversal of an impairment loss is recognized immediately in the statement of comprehensive income.



ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC

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Notes forming part of the financial statements for the year ended March 31, 2024.

j. End-of-service benefits

The Company provides end-of-service benefits to its expatriate employees' last year drawn salary and length of service, subject to the completion of a minimum service year. The expected costs of these benefits are accrued over the year of employment in accordance with the provisions of UAE Labor Law.

k. Provisions, contingent liabilities and contingent assets

- i. Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a consolidated asset only when the reimbursement is virtually certain.
- ii. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.
- iii. Contingent liabilities are disclosed on the basis of judgment of management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

l. Cash and cash equivalents

For the purpose of the Statement of cash flows, the Company considers bank balances and deposits with a maturity of less than 3 months from the date of placement to be a part of cash and cash equivalents.

m. Financial Instruments

Financial Assets

Initial Recognition and measurement

Financial Assets are classified, at initial recognition, as:

- a) amortized cost
- b) fair value through other comprehensive income OCI and ,
- c) fair value through profit or loss

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for



which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCE, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding, this assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset

Subsequent measurement:

Financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments}
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect-contractual cash flows and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective Interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial asset at amortised cost includes refundable deposits.

Financial assets at its fair value through OCI (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:



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Notes forming part of the financial statements for the year ended March 31, 2024.

- a. The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling, and;
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment Losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Company has no debt instruments at fair value through OCI.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments; Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company has no designated financial assets at fair value as at 31 March 2023.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss Include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or Loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established. The Company's AFS investments, refundable deposits, due from related parties, trade/ accounts and other receivables and bank balances/current accounts with banks.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when;

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks, and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows, from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership when it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a



loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include employees' end of service benefits and accrued expenses and provision.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below;

Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied, The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the HR. The EIR amortization is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.



Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same fonder on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

n. Inventories

- i. Inventories are valued at lower of cost or net realizable value.
- ii. The costs of inventories are determined on weighted average basis. Cost of inventories comprise all costs of purchase, and where applicable costs of conversion and other costs incurred in bringing the inventories to their present location and
- iii. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

o. Value Added Tax ("VAT")

The Company is subject to a value added tax ("Vat") of 5% for sale of products. The amount of VAT liability is determined by applying the applicable tax rate to the invoiced amount of products (output VAT) less VAT paid on purchases made with the relevant supporting invoices (input Vat). The Company reports revenue net value added tax for all the periods presented in the Special purpose financial statements.

p. Use of estimates and judgments and assumptions

- i. The presentation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.
- ii. The estimates and underlying assumptions are reviewed by the management on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The key assumptions concerning the future and other key sources of estimation of uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below:



a) Depreciation of property, plant and equipment

Management assigns useful lives and residual values to property, plant and equipment based on the intended use and the economic lives of those assets. Subsequent changes in circumstances could result in the actual useful lives or residual values differing from initial estimates. Where the management determines that the useful life or residual value of an asset requires amendment, the net book amount in excess of the residual value is depreciated over the revised remaining useful life

b) Impairment of assets

Assessments of net recoverable amounts of property, plant and equipment, all financial assets other than trade and other receivables are based on assumptions regarding future cash flows expected to be received from the related assets.

c) Impairment of accounts receivables

The management regularly undertakes a review of the recovery status of amounts due from either third parties or related parties. Such review is made on variety of factors, including the overall quality and aging of the receivables, continuing credit evaluation of the customer's financial conditions. Based on the review, assumptions are made regarding the extent of impairment allowance required.

d) Going Concern

These special purpose financial statements are prepared on a going concern basis which is assumed that the Company will continue to operate as a going concern in a foreseeable future. In order to support the continuance of the Company's operations, the Directors confirm that sufficient funds will be made available as may be necessary.

q. Current and deferred income tax

Tax is recognised in the statement of profit or loss and other comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. The directors periodically evaluate positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and establish provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the special purpose financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.



3. NEW STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS.

In the current year, the Company has applied the following amendments to IFRS issued by the International Accounting Standards Board ('IASB') that are mandatorily effective for an accounting period that are beginning on or after 1st January 2023. The application of these standards does not have any material impact on the amounts reported for the current and prior periods but may affect the accounting for the Company's future transactions or arrangements.

Amendments to:

- Amendments to IFRS 3: Reference to conceptual framework
- Deferred tax related to Assets and Liabilities from single transaction
- Classification of liabilities as current or non-current - Amendments to IAS 1 (January 1, 2023)
- Classification of liabilities as current or non-current, deferral of effective date - Amendments to IAS 1
- Amendments to IAS 8: Definition of Accounting Estimates
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting
- Amendments to IFRS 17: Insurance contracts (January 1, 2023)
- Transition option for insurers applying IFRS 17 (Amendments to IFRS 17 and IFRS 4)

MATERIAL ACCOUNTING POLICY INFORMATION

Further, as per amendment in IAS 1 pertaining to Presentation of Financial Statements, applicable for annual periods beginning on or after 1 January 2023, Material Accounting Policy Information is not disclosed (IAS 1 previously required the disclosure of significant accounting policies).

The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.



ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC

Dubai, United Arab Emirates

Notes forming part of the financial statements for the year ended March 31, 2024.

4. Property, plant and equipment

Particulars	Furniture and fittings	Computer and Equipment's	Total
<u>Cost</u>			
As at 31-03-2023	35,705	7,649	43,354
Additions	-	-	-
As at 31-03-2024	35,705	7,649	43,354
<u>Depreciation</u>			
As at 31-03-2023	28,129	1,836	29,964
Charges for the period	7,058	1,836	8,894
As at 31-03-2024	35,187	3,671	38,858
<u>Net Book Value</u>			
As at 31-03-2024 (Audited)	518	3,977	4,496
As at 31-03-2023 (Unaudited)	7,577	5,813	13,390

5 Cash and cash equivalents

	March 31, 2024 AED Audited	March 31, 2023 AED Unaudited
Cash at bank	7,965,285	5,358,005
Cash in hand	5,708	529
	<u>7,970,993</u>	<u>5,358,534</u>

6 Other current assets

	March 31, 2024 AED	March 31, 2023 AED
Vendor advances	277,778	239,907
Prepaid expenses	70,397	67,222
VAT receivable (net)	32,544	715
	<u>380,719</u>	<u>307,844</u>



ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC

Dubai, United Arab Emirates

Notes forming part of the financial statements for the year ended March 31, 2024.

	March 31, 2024 AED	March 31, 2023 AED
7 Share capital		
Authorized share capital		
300 shares of AED 1000 each	300,000	300,000
Issued and paid up share capital		
300 shares of AED 1000 each	300,000	300,000
Additional paid up share capital		
24 shares of AED 1000 each	24,000	24,000
	<u>324,000</u>	<u>324,000</u>

	March 31, 2024 AED	March 31, 2023 AED
8 Reserves and surplus		
Retained earnings		
Balance at the beginning	5,891,468	2,216,336
Transfer during the period	3,069,549	3,675,132
Balance at the end of the period	8,961,016	5,891,468
Statutory reserve		
Balance at the beginning	162,000	150,000
Transfer during the period	-	12,000
Balance at the end of the period	162,000	162,000
Share Premium	976,000	976,000
	<u>10,099,016</u>	<u>7,029,468</u>

	March 31, 2024 AED	March 31, 2023 AED
9 Accrued expenses and provisions		
Accrued liabilities	239,737	304,443
Salary and allowances	210,000	180,276
Provision for tax	68,000	-
	<u>517,737</u>	<u>484,719</u>



ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC

Dubai, United Arab Emirates

Notes forming part of the financial statements for the year ended March 31, 2024.

	April 1, 2023 March 31, 2024 AED	April 1, 2022 March 31, 2023 AED
10 General and administrative expenses		
Rent (short term lease)	87,462	100,796
Salaries and wages	1,592,673	1,423,080
Claims and penalties	-	405,000
Commission and fee	62,610	700
Professional fees	139,612	78,784
Regulatory expenses	29,825	7,161
Advertisement and marketing cost	145,344	341,174
Dues and subscriptions	2,996	3,028
Office expenses	3,227	54,557
Telephone and internet	12,317	12,679
Stationery and printing	300	3,919
Other expenses	2,703	5,038
Foreign exchange loss	4,905	25,318
	<u>2,083,973</u>	<u>2,461,233</u>

	April 1, 2023 March 31, 2024 AED	April 1, 2022 March 31, 2023 AED
11 Current tax	68,000	-
Deferred tax	-	-
	<u>68,000</u>	<u>-</u>

On 9 December 2022, the UAE Ministry of Finance had released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax regime in the UAE. The Corporate Tax regime is effective for accounting periods beginning on or after 1 June 2023. The Corporate tax for the Company is applicable for financial year January 1, 2024.

The Company assessed the deferred tax implications in accordance with IAS 12 Income taxes , it has been noted that it is not material to be recognised for March 31, 2024. Company shall continue to monitor the impact of deferred taxes.



12. LEASE AGREEMENTS

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillments of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

- i. There is a change in contractual terms, other than a renewal or extension of the arrangements.
- ii. a renewal option is exercised or extension granted, unless that term of the renewal or extension was initially included in the lease term;
- iii. there is a change in the determination of -whether fulfillment is dependent on a specified asset; or
- iv. there is substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios 1, 3 or 4 above and at the date of renewal or extension period for scenario 2.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases.

Company lease: Company's operating lease is categorized as short-term lease and hence not been reclassified as per IFRS 16 as asset and liability. Lease charges are charged to profit and loss account.

The Company leases an office. The lease typically runs for a period of one year, with an option to renew the lease after that date. Lease contract can contain terms to allow for annual increase to reflect market rentals.

During the period, AED 87,462 was recognized as an expense in the statement of profit or loss and other comprehensive income in respect of operating lease.

13. FAIR VALUE MEASUREMENT

The table set forth the carrying values and estimated fair values of financial assets and liabilities recognised as at 31st March, 2024. There are no unrecognized financial assets and liabilities at the financial position date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: a) In the principal market for the asset or liability, or b) In the absence of a principal market, In the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Company.



ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC

Dubai, United Arab Emirates

Notes forming part of the financial statements for the year ended March 31, 2024.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non- financial asset takes into account. a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The following methods and assumptions were used to estimate the fair values:

- **Accrued Expenses and provision** – carrying amounts approximate fair values due to short-term nature of the accounts.
- **Employees end of service benefits** – the fair value is estimated at the present value of the amount of estimated future cash flows expected to be paid. As at financial position date, the carrying amounts of these instruments are not materially different from their calculated fair values.

	Carrying value		Fair value	
	31st March 2024	31st March 2023	31st March 2023	31st March 2023
	AED	AED	AED	AED
Accrued expenses and provisions	517,737	484,719	517,737	484,719
Accounts payable	3,703	114,882	3,703	114,882
Employees' end of service benefits	40,600	31,850	40,600	31,850
Total Financial liabilities	562,040	631,451	562,040	631,451

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**Risk Management Structure**

The Company oversees and manages its exposure to market risk, credit risk and liquidity risk. The Company's policies on these risks arising from the Company's financial instruments follow:

Market risk

Market risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of the changes in the market prices. Market prices comprise risks such as foreign currency risk and interest rate risk.

Foreign currency risk

It is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. There are no significant exchange rate risks as substantially all financial Instruments are denominated in AED.

Interest rate risk

It is the risk that the value of a financial instrument will fluctuate due to changes in market interest rate. Since the as no interest-bearing financial instruments, it is not exposed to interest rate risk.



ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC

Dubai, United Arab Emirates

Notes forming part of the financial statements for the year ended March 31, 2024.

Liquidity risk

It is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The tables summarize the maturity profile of the Company's financial liabilities as of 31 March, 2024 based on contractual undiscounted payments.

	As at 31st March, 2024				Total AED
	Within 3 months	3 to 6 months	6 to 12 months	More than 1 year	
	AED	AED	AED	AED	
Accrued expenses and provisions	517,737				517,737
Accounts payable	3,703				3,703
Employees' end of service benefits				40,600	40,600
	521,440	-	-	40,600	562,040

	As at 31st March, 2023				Total AED
	Within 3 months	3 to 6 months	6 to 12 months	More than 1 year	
	AED	AED	AED	AED	
Accrued expenses and provisions	484,719				484,719
Accounts payable	114,882				114,882
Employees' end of service benefits				31,850	31,850
	599,601	-	-	31,850	631,451

Credit risk

It is the risk that one party will fail to discharge an obligation and cause the other party to incur a financial loss. The carrying amounts of refundable deposits represent the Company's maximum exposure to credit risk in relation to the financial asset. Since there are no financial assets, it is not exposed to credit risk.

High grade - accounts with counterparties that have consistently displayed prompt settlement practices, with little or no instances of defaults or discrepancies in payments,



Medium grade - active accounts with reasonable instances of default, often due to common collection but where the likelihood of collection is moderately high as the counterparties are responsive to communication or credit actions of the Company.

Low grade - accounts with a low probability of collection and can be considered impaired based on historical experience, where counterparties exhibit a recurring tendency to default despite constant reminder and communication, or even extended payment terms.

15. RELATED PARTY TRANSACTIONS

The Company has transactions with related parties in the normal course of the business. A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. If an entity has had related party transactions during the periods covered by the Special purpose financial statements, IAS 24 requires it to disclose the nature of the related party relationship as well as information about those transactions and outstanding balances, including commitments, necessary for users to understand the potential effect of the relationship on the Special purpose financial statements. Management of the Company believes that the terms of such transactions are not significantly different from prevailing market rates.

During the year the Company purchased goods worth AED 20,000 from the holding company, Marksans Pharma Limited.

16. DECLARATION OF DIVIDEND

During the period April 1, 2023 to March 31, 2024, the Company has not declared or paid any dividend.

17. NUMBER OF EMPLOYEES

During the period April 1, 2023 to March 31, 2024, there were average 6 employees in the Company (Previous period – 6)

18. STATUTORY RESERVE

In accordance with article 103 of UAE Federal Law No.32 of 2021, a transfer minimum of 5% of the net profit of the Company is required to be allocated every year subject to 50% of paid up share capital. Such transfers are required to be made until the balance of the statutory reserve equals one half of the Company's paid up share capital. The reserve is not available for distribution except as provided for in the UAE Federal Law. During the period April 1, 2023 to March 31, 2024, the Company transferred AED Nil (March 31, 2023, AED 12,000) to the statutory reserve.



ACCESS HEALTHCARE FOR MEDICAL PRODUCTS LLC

Dubai, United Arab Emirates

Notes forming part of the financial statements for the year ended March 31, 2024.

19. CONTINGENCIES AND COMMITMENTS

Except the on-going Service commitments in the normal course of business against which no loss is expected, there has been no other known contingent liability or commitment on the Company's account.

20. COMPARATIVE FIGURES

The previous period's figures have been regrouped or reclassified wherever necessary to make them comparable to those of the current period.

21. EVENT AFTER THE FINANCIAL POSITION DATE

There were no significant events occurring after the financial position date that would have any material on the Special purpose financial statements of the Company.





MARKSANS PHARMA INC.

CONSOLIDATED FINANCIAL STATEMENTS MARCH 31, 2024



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MARKSANS PHARMA INC.

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2024 AND 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Marksans Pharma Inc.,

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Marksans Pharma Inc. and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as at March 31, 2024, and the consolidated statement of income, statement of changes in stockholder's equity and the cash flow statement for the year then ended, and the notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America ("US GAAP").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated 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 consolidated financial statements, which includes the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), 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.

Information other than the consolidated financial statements and Auditors Report thereon

The Group's Board of Directors is responsible for the other information. As informed to us, the Group does not have any other information to be included in the annual report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with US GAAP, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

BDO

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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 will always detect a material misstatement when it exists. Misstatements 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 consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

BDO



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO India LLP

BDO India LLP
Mumbai, India
May 29, 2024

MARKSANS PHARMA INC.
CONSOLIDATED BALANCE SHEET
AS ON MARCH 31, 2024 AND 2023

	<i>Amounts in USD</i>	
	2024	2023
Assets		
Current assets		
Cash and cash equivalents	2,087,193	1,648,319
Trade accounts receivable, net (Allowance for doubtful accounts were \$ 514,480 & \$ 347,221 as of Mar 31, 2024 & 2023 respectively)	24,080,986	21,902,803
Inventory	20,151,152	17,369,251
Inventory in transit	6,680,603	4,171,175
Prepaid expenses	387,408	570,651
Other current assets	365,542	366,449
Total current assets	53,752,884	46,028,648
Non- Current assets		
Property, plant and equipment, net	18,952,006	16,339,465
Right-of-use assets, net	19,135,861	4,638,018
Intangibles, net	2,275,000	2,275,000
Goodwill, net	386,343	657,447
Total non current assets	40,749,210	23,909,930
Total assets	94,502,094	69,938,578
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	34,912,897	28,187,201
Accrued liabilities	739,153	697,239
Line of credit	3,488,911	5,061,809
Lease liabilities	1,803,042	767,973
Short-term debt	57,098	169,783
Current tax liability	1,662,776	82,268
Due to a Director	-	1,043,000
Total current liabilities	42,663,877	36,009,273
Noncurrent liabilities		
Deferred tax liabilities, net	800,163	1,075,348
Lease liabilities	17,723,407	3,996,022
Long term debt	44,226	27,822
Total liabilities	61,231,673	41,108,465
Stockholders' equity		
Common stock , \$.01 par value; 200 shares authorized and 110 issued	1	1
Additional paid-in capital	26,381,742	26,381,742
Retained earnings	6,888,679	2,448,370
Total stockholders' equity	33,270,422	28,830,113
Total liabilities and stockholders' equity	94,502,094	69,938,578

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MARKSANS PHARMA INC.
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED MARCH 31, 2024 AND 2023

Amounts in USD

	2024	2023
Sale of goods	105,808,581	94,783,689
Other income	342,317	389,428
Net revenue	<u>106,150,898</u>	<u>95,173,117</u>
Cost of goods sold	86,311,006	80,974,974
Gross profit	<u>19,839,892</u>	<u>14,198,143</u>
Selling, general, & administrative expenses	1,696,576	2,782,308
Depreciation and amortisation expenses	3,035,191	2,033,817
Other operating expenses	8,983,116	9,007,943
Income before income taxes	<u>6,125,009</u>	<u>374,075</u>
Income taxes		
Income tax expense	1,684,700	364,187
Net Income	<u><u>4,440,309</u></u>	<u><u>9,888</u></u>
Other comprehensive income	-	-
Total comprehensive income	<u><u>4,440,309</u></u>	<u><u>9,888</u></u>

Atk

MARKSANS PHARMA INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
AS ON MARCH 31, 2024 AND 2023

Amounts in USD

	Common Stock	Paid-in Capital	Retained Earnings
Balance, March 31, 2022	<u>1</u>	<u>26,381,742</u>	<u>2,438,482</u>
Net income			9,888
Balance, March 31, 2023	<u>1</u>	<u>26,381,742</u>	<u>2,448,370</u>
Net income			4,440,309
Balance, March 31, 2024	<u>1</u>	<u>26,381,742</u>	<u>6,888,679</u>

Atk

MARKSANS PHARMA INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
AS ON MARCH 31, 2024 AND 2023

Amounts in USD

Particulars	2024	2023
Cash flows from operating activities		
Net income	4,440,309	9,888
Adjustments to reconcile net income to cash provided by operating activities		
Depreciation and Amortisation	3,035,191	2,033,817
Finance cost	882,653	460,999
Bad debts	-	805,461
Allowance for doubtful Trade accounts receivables	167,258	347,221
Deferred taxes	(275,185)	182,483
Changes in operating assets and liabilities:		
Inventories (including inventories in transit)	(5,291,330)	186,394
Trade Accounts receivables	(2,345,440)	(763,663)
Other non-current/current assets	184,149	16,243
Other non-current/current liabilities	6,767,610	(205,891)
Taxes, net	1,580,508	52,678
Net cash provided by operating activities	<u>9,145,724</u>	<u>3,125,631</u>
Cash flows from investing activities		
Payments to acquire property, plant and equipment	(3,704,633)	(1,453,334)
Net cash used in investing activities	<u>(3,704,633)</u>	<u>(1,453,334)</u>
Cash flows from financing activities		
Net proceeds from Line of Credit	(1,572,898)	440,242
Repayment of dues to a director	(1,043,000)	-
Principal obligations / (payments) under leases	(2,010,324)	39,783
Interest paid	(375,995)	(305,485)
Net cash (used in) / provided by financing activities	<u>(5,002,217)</u>	<u>174,540</u>
Net change in cash and cash equivalents	438,874	1,846,837
Cash and cash equivalents		
Beginning of year	<u>1,648,319</u>	<u>(198,517)</u>
End of year	<u><u>2,087,193</u></u>	<u><u>1,648,319</u></u>
Components of cash and cash equivalents		
Cash In Bank - Citi Bank	1,785,523	1,647,319
Cash in Citi Money Market	300,670	-
Cash - Petty Cash	1,000	1,000
Total cash and cash equivalents at the end of the year	<u><u>2,087,193</u></u>	<u><u>1,648,319</u></u>
Supplemental Information		
Taxes paid	<u>1,684,700</u>	<u>65,675</u>
Interest paid	<u>375,995</u>	<u>305,485</u>

The accompanying notes are an integral part of these consolidated financial statements.

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MARKSANS PHARMA INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2024 AND 2023

NOTE 1. ORGANIZATION

Marksans Pharma Inc. (the Company), a New York corporation, is a wholly owned subsidiary of Marksans Pharma Limited, India (Parent). On June 22, 2015, the Company acquired the stock of Time-Cap Laboratories Inc. (Time-Cap) and its wholly owned subsidiary Custom Coating Inc. (Coatings). Simultaneously, Marksans Realty LLC (Realty), a wholly owned subsidiary of Time-Cap, was formed and acquired the real estate in which Time-Cap and Coatings have their operations. On November 08, 2022, Marise Ann Inc. was incorporated, a wholly owned subsidiary of Marksans Pharma Inc. Time-Cap and Coatings are engaged primarily in the manufacture, coating, distribution and sales of pharmaceutical products in the United States. Marise Ann Inc. is engaged in the marketing & promotion of Branded OTC products. There have been no operations in Custom Coating Inc. and Marise Ann Inc. since incorporation.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Presentation - The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Subsequent events have been evaluated through May 29, 2024, the date the financial statements were available to be issued.

b. Principles of Consolidation - These consolidated financial statements include the accounts of Marksans Pharma Inc. and its wholly owned subsidiaries Time-Cap, Coatings, Marise, and Realty (collectively, the Company). All intercompany balances and transactions have been eliminated in the consolidated financial statements.

c. Functional Currency - The consolidated financial statements are reported in U.S. Dollars, which is the Company's functional currency.





d. Use of Estimates - The preparation of consolidated financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expense during the reporting period. The most significant estimates relate to the selection of useful lives of property and equipment, intangible assets and associated useful lives, allowances for doubtful accounts and impairment of long-lived assets. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, and makes adjustments when facts and circumstances dictate. These estimates are based on information available as of the date of the financial statements; therefore, actual results could differ from those estimates.

e. Cash and Cash Equivalents - For the purposes of balance sheet presentation and reporting of cash flows, the Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

f. Trade Accounts Receivable and Allowance for Credit Losses – Trade accounts receivable is a right to consideration that is unconditional (i.e., only the passage of time is required before payment is due). Trade accounts receivables are stated at an amount the Company expects to collect from outstanding balances. The Company's exposure to credit risk is dependent, to a large extent, on the pharmaceutical industry. The Company routinely addresses the financial strength of its customers, and as a consequence, believes that its receivable credit risk is limited. The Company performs ongoing credit evaluations of its customers and adjusts credit limits based upon payment history and the customer's current creditworthiness, as determined by a review of their current credit information. While credit losses have historically been within the Company's expectations, the Company cannot guarantee that the same credit loss rates will be experienced in the future. The Company generally does not require any security or collateral to support its receivables. The Company calculates expected credit losses for trade accounts receivable. Expected credit losses include losses expected based on known credit issues with specific customers as well as a general expected credit loss allowance based on relevant information, including historical loss rates, current conditions, and reasonable economic forecasts that affect collectability. The Company updates allowance for credit losses on a quarterly basis with changes in the allowance recognized in income from operations.

Trade accounts receivables are written off when they are determined to be uncollectible.

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g. Inventories - Inventories are included in the financial statements at the lower of cost (including raw materials, direct labour, other direct costs and related production overheads) and net realisable value. Cost is generally determined on a first in, first out basis.

h. Property and Equipment - Property and equipment are recorded at cost less accumulated depreciation. Depreciation is provided over the estimated useful lives of the assets using the straight-line method.

The estimated useful lives of assets are as follows:

Building	39 years
Computer & Software	5 years
Plant and Machinery	5 - 15 years
Furniture and fixtures	5 - 15 years
Vehicle	5 years
Office Equipment	5 – 15 years

Leasehold improvements are amortized over the shorter of the lease-term or the estimated useful life of the related asset.

Property and equipment are reviewed for impairment if indicators of impairment arise. There were no impairment charges related to property and equipment recognized during fiscal year ended 2024 and 2023.


i. Intangibles - Intangibles consist of marketing rights with an indefinite life which are not being amortized but will be evaluated for impairment on an annual basis or at other times during the year if events and circumstances indicate that it is more likely than not that the fair value of the marketing rights is below the carrying value.

j. Goodwill - Goodwill represents the excess of the purchase price of a business over the fair value of the identifiable net assets acquired. The Company has elected the accounting alternative to amortize goodwill on a straight-line basis over ten years and elected to test goodwill for impairment at the entity level upon occurrence of a triggering event.

k. Impairment of Long-Lived Assets - The Company assesses long-lived assets for impairment in accordance with the provisions of the Financial Accounting Standards Board ASC 360, Property, Plant and Equipment. Long-lived assets (asset group), such as property and equipment and intangibles, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. The carrying amount of a long-lived asset is not recoverable if it exceeds the

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sum of the undiscounted future cash flows expected to result from the use and eventual disposition of the asset. The amount of impairment loss, if any, is measured as the difference between the carrying value of the asset and its estimated fair value. Fair value is determined through various valuation techniques, including discounted cash flow models, quoted market values, and third-party independent appraisals, as considered necessary. As of March 31, 2024 and 2023, no impairment charge has been recorded.

l. Leases - The Company has operating & Finance leases. At inception of a contract, the Company determines whether a contract contains a lease, and if a lease is identified, whether it is an operating or finance lease. Right of Use lease assets represent a right to use an underlying asset for the lease term and may include any advance lease payments made and any initial direct costs and exclude lease incentives. Lease liabilities represent obligation to make lease payments arising from the terms of the lease. Right of Use lease assets and lease liabilities are recognized at the commencement of the lease and are calculated using the present value of lease payments over the lease term. The Company does not recognize ROU assets and lease liabilities for short-term leases with a term equal to or less than 12 months. The Company recognizes the lease payments in income statement on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. Disclosures about the Company's leasing activities are presented in Note 9 "Leases".

m. Fair Value Measurements - The Company's financial instruments consist primarily of cash, trade accounts receivable and accounts payable. The carrying value of all financial instruments and receivables are representative of their fair value due to short-term maturity.


n. Revenue Recognition - The Company receives revenue for supply of goods to external customers against orders received. The majority of contracts that Company enters into relate to sales orders containing single performance obligations for the delivery of pharmaceutical and consumer healthcare products. Product revenue is recognised when control of the goods is passed to the customer. The point at which control passes is determined by each customer arrangement, but generally occurs on delivery to the customer.

Revenue is recorded net of volume discounts, work credits, cash discounts, rebates and similar charges. Revenue is recognized using the five-step approach required by Accounting Standards Codification (ASC) Topic 606, as follows:

1. Identification of the contract with a customer;
2. Identification of the performance obligations in the contract;
3. Determination of the transaction price;
4. Allocation of the transaction price to the performance obligations in the contract; &
5. Recognition of revenue when, or as, performance obligations are satisfied.

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Performance Obligations and Significant Judgements

A performance obligation is a promise in a contract to transfer a distinct good to the customer. A contract's transaction price is allocated to each performance obligation identified in the arrangement based on the relative standalone selling price of each distinct good and recognized as revenue when, or as, the performance obligation is *satisfied*. Sales and other transactions provide the customer with a particular good or bundle of goods and are considered a single performance obligation provided at a point in time upon the sale date.

o. Employee Benefit Plan - The Company sponsors a qualified 401(k) defined contribution plan covering eligible employees. Participants may contribute a portion of their annual compensation limited to the maximum annual amount set by the Internal Revenue Service. There were no employer contributions under this plan for 2024 and 2023.

p. Advertising Expense - Advertising costs, included in selling expenses, are expensed as incurred.

q. Recent Accounting Pronouncements

Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. The new standard requires enhanced segment disclosures but does not change the definition of a segment for the guidance for determining a reportable segment. The amendments require disclosure of significant segment expenses regularly provided to the CODM included within segment operating profit or loss and a description of how the CODM utilizes segment operating profit or loss to assess segment performance and allocating resources. The new standard also allows companies to disclose multiple measures of segment profit or loss if those measures are used to allocate resources.


Income Taxes (Topic 740): Improvements to Income Tax Disclosures - The new standard requires enhanced income tax disclosures primarily related to the rate reconciliation and income taxes paid information.

NOTE 3. INCOME TAXES

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the consolidated financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and

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liabilities is recognized in income in the period that includes the enactment date.

The Company records net deferred tax assets to the extent it believes these assets will more likely than not be realized. In making such determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies, and recent financial operations. In the event the Company were to determine that it would be able to realize its deferred income tax assets in the future in excess of its net recorded amount, the Company would make an adjustment to the valuation allowance which would reduce the provision for income taxes.

The Company accounts for tax benefits from an uncertain tax position taken or expected to be taken only if it is "more likely than not" that the position is sustainable upon tax authority examination, based on its technical merits. The tax benefit of a qualifying position under this guidance would equal the largest amount of tax benefit that is greater than 50% likely of being realized upon settlement with a taxing authority having full knowledge of all the relevant information. A liability is established in the consolidated financial statements to the extent a current benefit has been recognized on a tax return for matters that are considered contingent upon the outcome of an uncertain tax position. In the opinion of management, the Company has no uncertain tax positions. The Company's policy is to recognize interest and penalties on recognized tax benefits in income tax expense, if any, in the consolidated income statements.

NOTE 4. DEFERRED TAXES

Significant components of the Company's deferred tax assets and liabilities at March 31, 2024 are as follows:

	<u>2024</u>	<u>2023</u>
Deferred tax assets (liabilities)		
Net operating loss carryovers	-	-
Goodwill and other intangibles	\$ (143,905)	\$ (145,696)
Property, equipment, and capital leases	\$ (1,362,422)	\$ (1,382,225)
Accruals and reserves not currently deductible	\$ 131,476	\$ 93,815
Section 481 (a) Adjustment	\$ (97,424)	\$ (194,847)
Capitalized inventory costs	\$ 534,604	\$ 460,801
Allowance for bad debt	\$ 137,508	\$ 92,804
Net deferred tax liabilities	<u>\$ (800,163)</u>	<u>\$ (1,075,348)</u>



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NOTE 5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following at March 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Land	\$ 62,080	\$ 62,080
Building and improvements	\$ 13,015,999	\$ 11,398,099
Leasehold Improvements	\$ 1,267,009	\$ NIL
Machinery and equipment	\$ 9,530,910	\$ 9,134,865
Computer & Software	\$ 466,525	\$ 47,083
Furniture and fixtures	\$ 67,871	\$ 63,635
Vehicles	<u>\$ 155,873</u>	<u>\$ 155,873</u>
	\$ 24,566,267	\$ 20,861,635
Accumulated depreciation	<u>\$ (5,614,261)</u>	<u>\$ (4,522,170)</u>
Total property, plant, and equipment, net	<u>\$ 18,952,006</u>	<u>\$ 16,339,465</u>

Depreciation expenses for the years ended March 31, 2024 and 2023 was \$ 1,092,091 and \$ 918,355 respectively.

NOTE 6. GOODWILL AND INTANGIBLES

Goodwill and intangibles consist of the following at March 31, 2024:

	<u>Goodwill</u>	<u>Intangibles</u>
Opening Balance	\$ 4,517,141	\$ 2,275,000
Accumulated amortization and adjustment	<u>\$ (4,130,798)</u>	<u>-</u>
Balance - March 31, 2024	<u>\$ 386,343</u>	<u>\$ 2,275,000</u>

During the year ended March 31, 2019, the Company had received a settlement agreement with the original sellers, whereby, the Company received cash of \$4,000,182 towards the original purchase price and hence the original Goodwill amounting to \$ 8,517,322 was adjusted by the same amount as of March 31, 2019. This amount totaled \$4,517,141 and is being amortized over 10 years. Amortization expense for the years ended March 31, 2024 and 2023 were \$271,104 and \$271,104, respectively.

The Company acquired transferable marketing rights of various patent products from a third party for an aggregate amount of \$1,925,000. On July 31, 2018, the Company purchased an intangible asset in the amount of \$ 350,000 as an Abbreviated New Drug Application (ANDA) and laboratories. Management has determined that as of March 31, 2024 and 2023, respectively, the intangibles were not impaired.

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NOTE 7. DEBT

As of March 31, 2024 and 2023, the Company has outstanding liability on a line of credit of \$ 3,488,911 and \$ 5,061,809 with the Bank of Baroda respectively. The total line of credit available through this agreement is \$ 7,000,000. The loan is secured by the land and building located at 7 Michael Avenue in Farmingdale, New York, as well as by all property and equipment owned by Marksans Pharma Inc. subsidiary i.e., Time Cap Laboratories Inc.

NOTE 8. CONCENTRATION OF CREDIT RISK

Financial instruments, which potentially subject the Company to concentration of credit risk, consist principally of cash and cash equivalents and trade accounts receivable.

Concentrations of credit risk with respect to trade accounts receivable are limited due to the diverse group of customers to whom the Company sells. The Company reviews a customer's credit history before extending credit, and will establish an allowance for possible losses, if necessary, based upon factors such as the credit risk of specific customers, historical trends and other information.

Major Customers - As of March 31, 2024 and 2023, Top five customers accounted for approximately 62% and 62%, respectively, of total trade accounts receivable. Revenues from these customers were approximately 62% and 72%, respectively, of total revenues.

NOTE 9. LEASES

The Company has entered into operating leases in the normal course of business primarily for storing inventories at warehouses across United States, with lease periods majorly expiring in 2024, 2029 and 2033. The determination on whether an arrangement is lease or not, is carried out at the inception of the lease.

Right of Use Assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Right of Use Assets and lease liabilities are recognised at the lease commencement date based on the estimated present value of lease payments over the lease term.

Operating lease assets and liabilities are included in our consolidated balance sheet. The current portion of the operating lease liabilities is included under "Lease Liability" under "Current Liabilities" and the long-term portion is included under the "Noncurrent Liabilities".

Operating lease cost recognised in the consolidated statement of income is \$ 1,914,043 and \$ 873,895 for the year ended March 31, 2024 and 2023 respectively.

Other information about lease amounts recognized in the consolidated financial statements is summarized as follows:





Particulars	<u>2024</u>	<u>2023</u>
Weighted average remaining lease term	105.34 months	46.5 months
Weighted average discount rate	4.27 %	3.01 %

Set out below are the carrying amounts of right-of-use assets and lease liabilities recognized in the balance sheet:

Particulars	<u>2024</u>	<u>2023</u>
Right-of use assets	\$ 19,135,861	\$ 4,638,018
Lease liabilities		
Current lease liabilities	\$ 1,803,042	\$ 767,973
Non-current lease liabilities	\$ 17,723,407	\$ 3,996,022

Undiscounted maturities of lease liabilities are as follows:

	<u>Operating Leases</u>
Periods ending March 31,	
2025	\$ 2,642,364
2026	\$ 2,718,703
2027	\$ 2,797,655
2028	\$ 2,891,461
2029	\$ 2,330,915
Thereafter	\$ 8,009,335
Total lease payment	<u>\$ 21,390,432</u>

Supplemental cash flow information related to leases was as follows:

Particulars	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in measurement of lease liabilities: -		
Operating cash flows from operating leases	\$ 1,914,043	\$ 873,895

NOTE 10. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of Revenue from Contracts with Customers

The following table disaggregates the Company's revenue based on the timing of satisfaction of performance obligations for the years ended March 31, 2024 and 2023.

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	<u>2024</u>	<u>2023</u>
Performance obligations satisfied at a point in time		
Sale of Goods	\$ <u>105,808,581</u>	\$ <u>94,783,689</u>
Other revenue *		
Miscellaneous income	\$ <u>342,317</u>	\$ <u>389,428</u>
Total	\$ <u>106,150,898</u>	\$ <u>95,173,117</u>

*Due to the nature of these revenue streams, these items are excluded from required disaggregation under ASC Topic 606. They are included here to provide a reconciliation to total revenue reported in the consolidated statements of income.

The nature of the Company's operations does not typically give rise to variable consideration. When variable consideration arises, estimated amounts are included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. Estimates of variable consideration are estimated based upon historical experience with customers and comparable projects as well as known trends within the Company and its industry.

Contract Balances

All of the Company's contract assets are considered trade accounts receivable and are included within the trade accounts receivable balance in the consolidated balance sheet. The Company has no contract liabilities. Balances in these accounts as of March 31, 2024 and 2023 are as follows.

	<u>2024</u>	<u>2023</u>
Trade accounts receivable, net	\$ <u>24,080,986</u>	\$ <u>21,902,803</u>

NOTE 11. COST OF GOODS SOLD

	<u>2024</u>	<u>2023</u>
Purchases	\$ 70,484,885	\$ 65,421,863
Direct wages	\$ 7,064,008	\$ 6,685,292
Payroll taxes	\$ 631,084	\$ 633,345
Other direct costs	\$ 4,840,376	\$ 5,673,780
Allocated overhead	\$ <u>3,290,653</u>	\$ <u>2,560,694</u>
TOTAL	\$ <u>86,311,006</u>	\$ <u>80,974,974</u>

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NOTE 12. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	<u>2024</u>	<u>2023</u>
Commissions	\$ 1,338,067	\$ 1,449,809
Bad debt expense, net of allowance for doubtful accounts	\$ 176,810	\$ 1,152,682
Advertising and promotion	\$ 181,699	\$ 179,817
TOTAL	<u>\$ 1,696,576</u>	<u>\$ 2,782,308</u>

NOTE 13. DEPRECIATION AND AMORTISATION EXPENSES

	<u>2024</u>	<u>2023</u>
Depreciation on tangible assets	\$ 1,092,091	\$ 918,355
Depreciation on intangible assets	\$ 271,104	\$ 271,104
Depreciation on right-of use assets	\$ 1,671,996	\$ 844,358
TOTAL	<u>\$ 3,035,191</u>	<u>\$ 2,033,817</u>

NOTE 14. OPERATING EXPENSES

Particulars	<u>2024</u>	<u>2023</u>
Utilities	\$ 1,070,396	\$ 1,143,357
Travel expenses	\$ 187,499	\$ 170,151
Salaries and wages	\$ 3,419,068	\$ 3,691,472
Repairs and maintenance	\$ 160,478	\$ 119,080
Rentals for short term leases	\$ 190,683	\$ 229,847
Property taxes	\$ 221,478	\$ 180,037
Professional fees	\$ 439,917	\$ 476,016
Other operating expenses	\$ 187,464	\$ 113,786
Office expenses	\$ 65,236	\$ 61,444
Miscellaneous expense	\$ 293,302	\$ 186,678
Membership and licenses	\$ 382,199	\$ 376,782
Interest and bank charges	\$ 886,446	\$ 467,492
Insurance	\$ 982,366	\$ 1,331,215
Computer-related expenses	\$ 289,594	\$ 259,206
Payroll taxes	\$ 206,990	\$ 201,380
TOTAL	<u>\$ 89,83,116</u>	<u>\$ 9,007,943</u>



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NOTE 15. RELATED PARTY TRANSACTIONS

(a) *Related parties where control exists*

1. Time-Cap Laboratories Inc. (wholly owned subsidiary)
2. Marise Ann Inc. (wholly owned subsidiary)
3. Custom Coating Inc. (Step down subsidiary)
4. Marksans Realty LLC (Step down subsidiary)

(b) *Key Management Personnel (KMP)/Directors*

Mr. Mark Saldanha: Director
Mrs. Sandra Saldanha: Director
Mr. Jitendra Sharma: Director
Mr. Seetharama Raju Buddharaju: Director
Mr. Anjani Kumar: Director and Chief Operating Officer

(c) *List of related parties with whom transactions have taken place during the year are as follows:*

Nature of Transactions	<u>2024</u>	<u>2023</u>
Purchase of goods		
Marksans Pharma Limited	\$ 53,271,900	\$ 38,633,348
Sales of goods		
Marksans Pharma Limited	\$ 5,712	\$ NIL
Sale of Fixed Asset		
Marksans Pharma Limited	\$ 94,750	\$ NIL
Due to a director (Repayment)		
Mr. Mark Saldanha	\$ 1,043,000	\$ NIL
Managerial Remuneration Paid		
Mr. Mark Saldanha	\$ 144,000	\$ 144,000
Mr. Anjani Kumar	\$ 224,705	\$ 188,659

(d) *Balances outstanding at the end of the year*

Particulars	<u>2024</u>	<u>2023</u>
Accounts payable		
Marksans Pharma Limited	\$ 31,532,155	\$ 26,181,847
Trade accounts Receivable		
Marksans Pharma Limited	\$ 5,712	\$ NIL
Due to a director (Repayment)		
Mr. Mark Saldanha	\$ NIL	\$ 1,043,000
Capital Advance Received		
Marksans Pharma Limited	\$ NIL	\$ 80,000

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NOTE 16. RETIREMENT PLAN

The Company has a defined contribution retirement plan covering all employees with over 60 days of continuous service. Participants are allowed to contribute up to the Federal maximum to this plan each year, which is \$23,000 and \$22,500 respectively for 2024 and 2023. The Company does not make any matching contributions to the plan.

NOTE 17. LITIGATION CONTINGENCIES

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Liabilities for loss contingencies arising from claims, tax assessments, litigations, fines and penalties, and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated. Legal costs incurred in connection with the same are expensed as incurred.

From time to time, the Company may be a party to litigation arising in the normal course of its business operations. In the opinion of management, it is not anticipated that the settlement or resolution of any such matters will have a material adverse impact on the Company's financial condition, liquidity, or results of operations. There are no contingent liabilities as at March 31, 2024 and 2023.

NOTE 18. SUBSEQUENT EVENTS

The Company evaluated subsequent events from March 31, 2024, the date of these consolidated financial statements, through May 29, 2024, which represents the date the financial statements were available for issuance, for events requiring recording or disclosure in the consolidated financial statements for the year ended March 31, 2024. The Company concluded that no events have occurred that would require recognition or disclosure in the consolidated financial statements.



***NOVA PHARMACEUTICALS
AUSTRALASIA PTY LTD***

A.C.N 104 838 440

**FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31ST MARCH, 2024**

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD

ACN 104 838 440

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for the year ended 31st March 2024

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 2024 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 2024 the company earned a profit after tax of \$548,613.

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

No dividends were paid during the year, and the Directors have decided that no final dividend be declared for the year ended 31st March 2024.

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 Directors.



..... David Mohammed



..... Ofa Mohammed

Dated at Bella Vista this 19th day of April 2024.

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD

ACN 104 838 440

DIRECTORS' DECLARATION

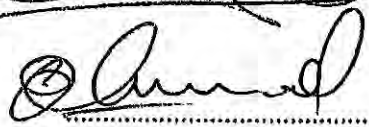
The directors have determined that the company is not a reporting entity. The directors have determined that this special purposes financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes present fairly the company's financial position as at 31st March 2024 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:

..... David Mohammed

..... Ofa Mohammed

Dated at Bella Vista this 19th day of April 2024.



CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

DARSHAN DHILLON

Bacc(Hons), DMYA, C.A.
(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 accompanying special purpose financial statements of NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD, which comprise the statement of financial position as at 31st March 2024, 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 19th day of April 2024

D. Dhillon

Darshan Dhillon



Bentwitch & Co is a CPA Practice
ABN 11 732 432 417

BENTWITCH & CO

(Incorporating Eastwood Taxation Services)

Certified Practising Accountant & Tax Agent

Liability Limited by a
scheme approved
under Professional
Standards Legislation

Alan N Bentwitch
B.Bus., CPA, J.P.

Ground Floor, Suite 3, 13 Bridge Street, Epping NSW 2121
PO Box 205, Epping NSW 1710

Tel: (02) 9876 6626
Email: info@bentwitch.com.au

INDEPENDENT AUDIT REPORT

To the members of Nova Pharmaceuticals Australasia Pty Ltd.

Scope

We have audited the financial report of Nova Pharmaceuticals Australasia Pty Ltd (the company) for the financial year ended 31st March, 2024. The company's directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows.

Audit Opinion

In our opinion, the financial report of Nova Pharmaceuticals Australasia Pty Ltd is in accordance with:

- (a) the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 31st March, 2024, and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

Date

Bentwitch & Co.

26/4/2024


Principal Alan Bentwitch



Bentwitch & Co is a CPA Practice
ABN 11 732 432 417

BENTWITCH & CO

(Incorporating Eastwood Taxation Services)

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PO Box 205, Epping NSW 1710

Tel: (02) 9876 6626
Email: info@bentwitch.com.au

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the directors of Nova Pharmaceuticals Australasia Pty Ltd.

I declare that, to the best of my knowledge and belief, during the year ended 31st March, 2024, there have been no contraventions of:

1. The auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
2. Any applicable code of professional conduct in relation to the audit.

ALAN BENTWITCH
BENTWITCH & CO.

Date: 26/4/2024

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2024

	NOTE	2023
CURRENT ASSETS		
Cash	2	647,766
Receivables	3	8,570,546
Inventories	4	10,249,343
		<u>19,467,655</u>
NON-CURRENT ASSETS		
Investments	5	94
PROPERTY PLANT AND EQUIPMENT	6	238,886
INTELLECTUAL PROPERTY	7	1,493,333
		<u>1,732,313</u>
TOTAL ASSETS		<u>21,199,968</u>
CURRENT LIABILITIES		
Creditors & Borrowings	8	11,426,588
Provisions	9	178,054
		<u>11,604,642</u>
TOTAL LIABILITIES		<u>11,604,642</u>
NET ASSETS		<u>\$ 9,595,326\$</u>
SHARE CAPITAL AND RESERVES		
Share Capital		150
Reserves	10	322,888
Accumulated Profit		9,272,288
TOTAL CAPITAL & RESERVES		<u>\$ 9,595,326\$</u>

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2024

	NOTE	2023
Profit		
Before Income Tax	950,097	(448,996)
Income Tax Expense	285,029	-
Over(under) Provision of tax	116,455	-
	<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	548,613	(448,996)
Retained Profits at July 1	8,723,675	9,172,671
	<hr/>	<hr/>
PROFIT AVAILABLE FOR APPROPRIATION	9,272,288	8,723,675
	<hr/>	<hr/>
RETAINED PROFITS	\$ 9,272,288	\$ 8,723,675
	<hr/>	<hr/>

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31ST MARCH 2024

	NOTE	2023
INCOME		
Gross Profit Trading	13,872,980	12,117,517
Interest Received	14,640	9,433
TOTAL INCOME	13,887,620	12,126,950
EXPENSES		
Accountancy	20,590	9,060
Advertising & Selling	1,084,880	1,678,522
Audit Fees	5,000	-
Bad Debts	-	6,771
Bank Charges	3,241	2,928
Cleaning	8,520	7,080
Consultants Fees	1,017,570	1,038,889
Computer Supplies	57,621	20,505
Depreciation	31,973	-
Donations	10,000	-
Electricity	3,556	4,927
Filing Fees	1,902	4,327
Freight & Cartage	1,707,147	1,988,855
Insurance	125,829	102,800
Interest	80,664	41,198
Legal Costs	-	6,819
Licences & Registrations	1,231,668	689,245
Motor Vehicle Expenses	10,368	11,907
Office Expenses	22,715	27,663
Payroll Tax	150,980	86,150
Printing & Stationery	23,553	25,809
Product Development Fees	1,337,699	1,340,685
Rent	223,328	223,541
Repairs & Maintenance	16,799	43,841
Salaries	3,666,291	3,393,062
Staff Recruitment&Amenities	122,284	34,576
Storage	979,011	813,801
Superannuation	394,649	349,626
Telephone & Internet	19,567	16,632
Testing Fees	27,002	27,512
Travelling Expenses	251,684	224,339
Warehouse Expenses	301,432	354,876
TOTAL EXPENSES	12,937,523	12,575,946
OPERATING PROFIT BEFORE INCOME TAX	950,097	(448,996)

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31ST MARCH 2024

	NOTE	2023
Income Tax Expense	285,029	-
Over(under) Provision of tax	116,455	-
OPERATING PROFIT FOR THE YEAR	548,613	(448,996)
OPERATING PROFIT AND EXTRAORDINARY ITEMS	548,613	(448,996)
Retained Profits at July 1	8,723,675	9,172,671
PROFIT AVAILABLE FOR APPROPRIATION	9,272,288	8,723,675
RETAINED PROFITS	\$ 9,272,288	\$ 8,723,675

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

TRADING ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2024

	NOTE	2023
Sales	36,894,105	35,065,724
LESS COST OF SALES		
Opening Stock	9,208,649	8,689,943
Purchases	23,888,656	23,053,423
Foreign Exchange	173,167	413,490
	<hr/>	<hr/>
	33,270,472	32,156,856
Closing Stock	10,249,347	9,208,649
	<hr/>	<hr/>
	23,021,125	22,948,207
	<hr/>	<hr/>
TOTAL TRADING PROFIT	\$ 13,872,980	12,117,517
	<hr/>	<hr/>
	\$	
	<hr/>	

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2024

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 because 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 applicable at the end of the reporting period.

2) Property, Plant & Equipment

All depreciable assets are depreciated in accordance with rates prescribed by the Australian Tax Office.

3) Trade and Other Receivables

Trade receivables are 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.

5) Provisions

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2024

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.

2023

NOTE 2 - Cash

Cash in Hand	483	858
Westpac Cheque account	633,503	216,439
Westpac Maxi Business	11,267	266,724
USD account	2,513	1,676
	<u>\$ 647,766</u>	<u>\$ 485,697</u>

NOTE 3 - Current

Trade Debtors	4,638,661	4,267,484
Income Tax Refund due	-	348,254
Prepayments	1,400,993	476,400
Payments-in-Advance	368,195	602,914
Deposits Refundable	3,300	3,300
Div7A Receivables	2,159,397	-
	<u>\$ 8,570,546</u>	<u>\$ 5,698,352</u>

NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2024

2023

NOTE 4 - Current

Stock	\$ 10,249,343	\$ 9,208,649
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NOTE 5 - Non Current

Shares in Nova Pharmaceuticals Ltd-Wholly owned subsidiary	\$ 94 —	\$ 94 —
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NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
ACN 104 838 440

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2024

2023

NOTE 6 - PROPERTY PLANT AND EQUIPMENT

Office Equipment - at Cost	100,352	90,085
Less Prov'n for Depreciation	<u>49,765</u>	<u>46,613</u>
	50,587	43,472
Motor Vehicles - at Cost	363,391	256,147
Less Prov'n for Depreciation	<u>175,092</u>	<u>148,192</u>
	188,299	107,955
Warehouse Equipment-at Cost	30,000	30,000
Less Prov'n for Depreciation	<u>30,000</u>	<u>30,000</u>
	-	-
	<u>\$ 238,886</u>	<u>\$ 151,427</u>

NOTE 7 - INTELLECTUAL PROPERTY

Intellectual Property	<u>\$ 1,493,333</u>	<u>1,393,333</u>
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NOTE 8 - Current

Trade Creditors	10,885,206	7,677,710
Accrued Expenses	<u>541,382</u>	<u>213,129</u>
	<u>\$ 11,426,588</u>	<u>\$ 7,890,839</u>

NOTE 9 - Current

Provision for Income Tax	<u>\$ 178,054</u>	<u>\$ -</u>
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NOTE 10 - Reserves

Cash Flow Boost Reserve	<u>\$ 322,888</u>	<u>\$ 322,888</u>
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NOVA PHARMACEUTICALS AUSTRALASIA PTY LTD
A.C.N 104 838 440
STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31ST MARCH 2024

	A\$ 2024	A\$ 2023
Cashflows generated by Operating Activities:		
Receipts from Customers	34,021,911	33,978,311
Payments to Suppliers & Employees	-33,574,386	-35,948,368
Interest Received	14,640	9,433
Interest Paid	-80,664	-41,198
Net Cash generated by Operating Activities(per Note below):	<u>381,501</u>	<u>2,001,822</u>
Cashflows to Investing Activities:		
Payments for Motor Vehicles & Equipment	119,432	43,472
Payments for Intellectual Property	<u>100,000</u>	<u>0</u>
	-219,432	-43,472
Net Increase in Cash	<u>162,069</u>	<u>2,045,294</u>
Cash at the beginning of the financial year	<u>485,697</u>	<u>2,530,991</u>
	<u>647,766</u>	<u>485,697</u>
Cash at the end of the Financial year:		
Petty Cash	483	858
Cheque account	633,503	216,439
USD account	2,513	1,676
Business Saver account	<u>11,267</u>	<u>266,724</u>
	<u>647,766</u>	<u>485,697</u>

Note to the Statement of Cashflows

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

Profit after Income Tax	548,613	448,996
Depreciation Charge	31,973	
Increase in Inventory	-1,040,694	518,706
Increase in Trade Creditors & Accruals	3,535,749	-68,907
Increase in Income Tax Payable	526,308	-212,358
Increase in Div7A Receivables	-2,159,397	
Increase in Trade Debtors & Prepayments	-1,061,051	1,315,385
Net Cash used by Operating Activities	<u>381,501</u>	<u>2,001,822</u>

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 March 2024

for

Bell,Sons & Co.(Druggists) Limited

Registered No: 00351951 (England and Wales)

Bell,Sons & Co.(Druggists) Limited

Contents of the Financial Statements
for the Year Ended 31 March 2024

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Bell,Sons & Co.(Druggists) Limited

Company Information
for the Year Ended 31 March 2024

DIRECTORS:

Mr. Sathish Kumar
Mrs. S Saldanha
Mr. M Saldanha
Mr.J Sharma
Mr S R Buddharaju
Mr John Stephen Molyneux (Appointed on 9 May 2024)
Mr C Hunter (Resigned on 10 May 2024)

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 Statutory Auditors
65 Delamere Road
Hayes, Middlesex
UB4 0NN

BANKERS:

Barclays Bank PLC

Bell, Sons & Co. (Druggists) Limited

Strategic Report
for the Year Ended 31 March 2024

The directors present the strategic report and financial statement for the year ended 31 March 2024.

FAIR REVIEW OF BUSINESS

During the period sales increased from £45,768,318 to £53,652,924 and the profit on ordinary activities before taxation was £7,681,501 (2023: £4,917,810). Turnover has increased year on year by 17% due to an increase in customer demand, changes in product mix and selling price increases. Profit on ordinary activities before taxation was 54% higher than the previous year due to the higher turnover, increased sales of new products and a more efficient supply chain and manufacturing capability.

Bell's manufactures licensed products - both as own branded products and, for certain customers, in own label form together with a range of unlicensed products. The company owns a manufacturing facility in Southport complete with new pilot plant and expanded laboratories 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 export markets are West Africa and Middle East.

Principal risk and uncertainties arise from a competitive market.

Increasing overheads and raw material costs continue to threaten margins. The company is able to manage the risk by establishing strong multi-supplier relationships to better control future increases and secure reliable supply and, in addition, production methods are consistently being reviewed to ensure the most efficient operations are in place. The company also utilises the manufacturing capabilities of the parent company which secures timely and reliable supplies.

SECTION 172(1) STATEMENT

The Directors have acted in a way that they considered, in good faith, would be most likely to promote the success of Company for the benefits of its members as a whole, and in doing so had regard (amongst other matters) to the matters listed in section 172(1)(a) to (f) when performing their duties and comment as follows:

- a. the Directors are satisfied that the current business activity is in the long term interest of the Company and its Shareholder;
- b. the Directors considers that the employees are one of the key stakeholders and continue to focus on training and supporting of the employees in the understanding that a well informed and trained workforce is essential for the Company's ongoing success,
- c. the Directors have adequately fostered the business relationship with the suppliers, customers and others;
- d. the Directors are satisfied and have properly responded to the needs of the community and concerns regarding the environment, due to the operation of the company;
- e. the Company's business is to continue to becoming holding company whose subsidiaries are into development, registration and distribution of generic prescription Pharmaceuticals, manufacture and sale of Pharmaceuticals in the UK. The Directors are satisfied that the Company have maintained a reputation for high standards of business conduct, including its dealing with its customers, employees and the regulators, and
- f. the Company has adequately and fairly kept its shareholders fully informed and provided quarterly financial statements and progress of the Company's business.

Bell, Sons & Co. (Druggists) Limited

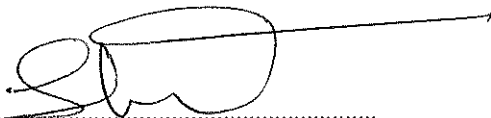
Strategic Report
for the Year Ended 31 March 2024

Energy consumption and Greenhouse gas emissions. During the year, the Group consumed 1,331,046 kWh of electricity (a 24% increase on previous year) and 395,402 kWh of gas (a 17% decrease on previous year). There were no other material emissions as a result of the company's activities. Our gross greenhouse gas (GHG) emissions for the year ended 31 March 2024 were 289 tonnes of CO₂. We have calculated our Carbon footprint using data from the energy supplier's renewable ratio percentage, as well as the recommended government conversion factors to create a bespoke figure based on Group consumption.

Energy saving initiatives have been progressed in 2024 with 379 self-consumption photovoltaic units (solar panels) across 979m² of the roof space giving 204 kWh. This is delivering a further electricity saving of 27%. All new gas and electricity contracts have also been signed on green basis, meaning all utility supplies are from renewable sources. The company will continue to develop its products range to meet market needs.

The profit for the year, after taxation before dividend amounting to £ 5,510,660 (2023: £3,981,753).

ON BEHALF OF THE BOARD:



.....
Mr. Sathish Kumar - Director

Date: 21/05/2024

Bell, Sons & Co. (Druggists) Limited

Report of the Directors
for the Year Ended 31 March 2024

The directors present their annual report and financial statement for the year ended 31 March 2024.

PRINCIPAL ACTIVITY

The principal activity of the company continued to be that of Manufacturer and sale of pharmaceuticals.

DIVIDENDS

Dividend declared during the year amounting £1.25 million for the year ended 2024 (2023- £1.25mn).

DIRECTORS

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

Mr. M Saldanha
Mr. J Sharma
Mrs. S Saldanha
Mr. S Jayanna
Mr Colin Hunter (Resigned on 10 May 2024)
Mr. Buddharaju, Seetharama Raju
Mr John Stephen Molyneux (Appointed on 9 May 2024)

RESULTS AND DIVIDENDS

The results for the year are set out on page 9.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (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 the 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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.

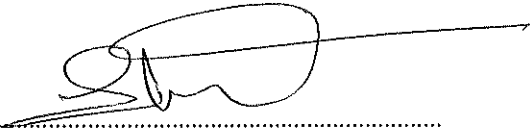
Bell, Sons & Co. (Druggists) Limited

Report of the Directors
for the Year Ended 31 March 2024

AUDITORS

The auditors, PBG Associates Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
Mr. Sathish Kumar - Director

Date: 21/05/2024
.....

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

Opinion

We have audited the financial statements of Bell, Sons & Co.(Druggists) Limited (the 'company') for the year ended 31 March 2024 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 2024 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions 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 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 four, 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, UK taxation legislation, and the Medicines and Healthcare products Regulatory Agency, laws & Regulatory related to product safety, the European Medicine Agency, Anti bribery and competition law and other UK Tax legislation.
- The Company's principal activity was that of manufacturer and sale of pharmaceuticals. As such the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of specialists where appropriate.
- Enquiries with the management concerning any actual or potential litigation or claims; inspection of relevant legal correspondence if any; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

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.

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

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, Middlesex
UB4 0NN

Date: 21/5/24

Bell,Sons & Co,(Druggists) Limited

Income Statement
for the Year Ended 31 March 2024

	Notes	31.3.24 £	£	31.3.23 £	£
TURNOVER	3		53,652,924		45,768,318
Cost of sales			<u>42,760,035</u>		<u>37,719,365</u>
GROSS PROFIT			10,892,889		8,048,953
Distribution costs		1,560,753		1,485,265	
Administrative expenses		<u>1,948,489</u>		<u>1,777,923</u>	
			<u>3,509,242</u>		<u>3,263,188</u>
			7,383,647		4,785,765
Other operating income	4		<u>198,626</u>		<u>153,011</u>
OPERATING PROFIT	6		7,582,273		4,938,776
(Profit)/ Loss on disposal of fixed asset			<u>5,909</u>		<u>(20,966)</u>
PROFIT BEFORE TAXATION			7,588,182		4,917,810
Tax on profit	7		<u>2,077,522</u>		<u>936,057</u>
PROFIT FOR THE FINANCIAL YEAR			<u><u>5,510,660</u></u>		<u><u>3,981,753</u></u>

Bell,Sons & Co.(Druggists) Limited

Other Comprehensive Income
for the Year Ended 31 March 2024

	Notes	31.3.24 £	31.3.23 £
PROFIT FOR THE YEAR		5,510,660	3,981,753
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>5,510,660</u></u>	<u><u>3,981,753</u></u>

Bell, Sons & Co. (Druggists) Limited (Registered number: 00351951)

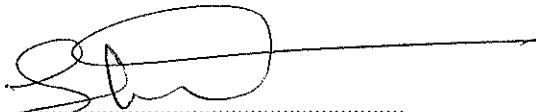
Statement of Financial Position

31 March 2024

	Notes	31.3.24 £	31.3.23 £
FIXED ASSETS			
Intangible assets	9	3,958	6,217
Tangible assets	10	<u>4,824,518</u>	<u>3,529,179</u>
		4,828,476	3,535,396
CURRENT ASSETS			
Stocks	11	12,412,366	8,929,695
Debtors	12	11,723,475	10,903,268
Cash at bank and in hand		<u>7,083,255</u>	<u>7,516,546</u>
		31,219,096	27,349,509
CREDITORS			
Amounts falling due within one year	13	<u>9,538,758</u>	<u>8,873,535</u>
NET CURRENT ASSETS		<u>21,680,338</u>	<u>18,475,974</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		26,508,814	22,011,370
PROVISIONS FOR LIABILITIES	14	<u>526,474</u>	<u>289,690</u>
NET ASSETS		<u>25,982,340</u>	<u>21,721,680</u>
CAPITAL AND RESERVES			
Called up share capital	15	6,334	6,334
Revaluation reserve	16	1,037,692	1,037,692
Retained earnings	16	<u>24,938,314</u>	<u>20,677,654</u>
SHAREHOLDERS' FUNDS		<u>25,982,340</u>	<u>21,721,680</u>

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

21/05/2024



Mr. Sathish Kumar - Director

Bell,Sons & Co.(Druggists) Limited

Statement of Changes in Equity
for the Year Ended 31 March 2024

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 April 2022	6,334	17,945,901	1,037,692	18,989,927
Changes in equity				
Dividends	-	(1,250,000)	-	(1,250,000)
Total comprehensive income	-	3,981,753	-	3,981,753
Balance at 31 March 2023	<u>6,334</u>	<u>20,677,654</u>	<u>1,037,692</u>	<u>21,721,680</u>
Changes in equity				
Dividends	-	(1,250,000)	-	(1,250,000)
Total comprehensive income	-	5,510,660	-	5,510,660
Balance at 31 March 2024	<u>6,334</u>	<u>24,938,314</u>	<u>1,037,692</u>	<u>25,982,340</u>

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.

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.

Related party exemption

The company has taken the advantage of exemption, under the terms of Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

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 compromise fair value of the consideration received or receivable and represents the amount receivable by company in respect of goods supplied during the year, net of returns, discounts and rebates allowed by the Company and value added taxes 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 to 20 years Straight Line Method

2. ACCOUNTING POLICIES - continued

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 Freehold 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 follows;

Freehold Building - 2% cost or revaluation figure

Plant and machinery - 20% Straight Line Method

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

Capital work in progress consists of asset under construction. It will be capitalised when the property is ready to use and will be depreciated over its expected useful life.

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.

2. **ACCOUNTING POLICIES - continued**

Financial instruments

The company 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 expires or are settled, or when the company 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 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 substance 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.

2. **ACCOUNTING POLICIES - continued**

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 a contract that evidences a residual interest in the asset of the company after deducting all of its liabilities.

De-recognition of Financial Liability

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

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 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 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.

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.

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.

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.

2. **ACCOUNTING POLICIES - continued**

Retirement benefits

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

Equity instruments

Equity instruments issued by company are recorded at the proceeds received, net of direct issue cost. Dividend payable on equity instrument are recognised as liability once they are no longer at the discretion of company. These amounts are recognised in the statement of changes in equity.

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.

3. **TURNOVER**

An analysis of company's turnover is as follows:

	31.3.24	31.3.23
	£	£
Turnover		
Sale of goods	<u>53,652,924</u>	<u>45,768,318</u>

The analysis of turnover by geographical markets:

	31.3.24	31.3.23
	£	£
United Kingdom	47,193,224	40,503,085
Europe	814,389	453,409
Rest of the world	5,645,311	4,811,824
Total	<u>53,652,924</u>	<u>45,768,318</u>

4. **OTHER OPERATING INCOME**

	31.3.24	31.3.23
	£	£
Bank Interest Income	194,089	63,231
HMRC Interest	4,537	-
Other Income	-	89,780
	<u>198,626</u>	<u>153,011</u>

5. EMPLOYEES AND DIRECTORS

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

	2024	2023
	Number	Number
Production	186	125
Sales and Administration	18	62
Total	<u>204</u>	<u>187</u>

Their aggregate remuneration comprised

	2024	2023
	£	£
Wages and Salaries	5,995,803	4,636,267
Social Security Cost	558,787	464,410
Other Pension Cost	<u>208,105</u>	<u>143,861</u>
Total	<u>6,762,695</u>	<u>5,244,538</u>

Directors Remuneration

	2024	2023
	£	£
Remuneration for qualifying services	-	-
Company pension contributions to defined contribution schemes	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0 (2022-Nil)

(Directors Remuneration amounting to £279,367 (2023: £307,007) is recharged from Relonchem Limited)

6. OPERATING PROFIT

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

	31.3.24	31.3.23
	£	£
Other operating leases	79,387	74,428
Depreciation - owned assets	368,835	357,041
Patents and licences amortisation	2,259	3,823
Provision for Bad Debts	56,152	23,897
Bad debt	-	8,927
Cost of stock recognised as an expense	32,263,917	29,270,005
Foreign exchange differences	-	1,456
Auditors' remuneration:		
for audit services	9,000	9,000
for other services	<u>1,200</u>	<u>1,200</u>

Bell, Sons & Co. (Druggists) Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2024

7. TAXATION

	<u>31.3.24</u>	<u>31.3.23</u>
	£	£
Current tax:		
UK corporation tax on profit	1,867,903	910,997
(Excess)/Short provision of prior year	<u>(27,165)</u>	<u>16,270</u>
UK Corporation tax on profits for the current period	<u>1,840,738</u>	<u>927,267</u>
Deferred tax:		
Originating and reversal timing differences	<u>236,784</u>	<u>8,790</u>
	<u>2,077,522</u>	<u>936,057</u>

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

	<u>31.3.24</u>	<u>31.3.23</u>
	£	£
Profit before taxation on continued operations	7,588,182	4,917,810
Profit on ordinary activities before taxation multiplied by standard rate of corporation tax of 25% (2023-19%)	1,897,046	934,384
Tax effect of expenses that are not deductible in determining taxable profit	-	3,989
R & D claims credit	(52,350)	(28,431)
(Excess)/Short provision of earlier years	(27,165)	16,270
Difference of Capital allowances and depreciation	<u>259,991</u>	<u>9,845</u>
	180,476	<u>1,673</u>
Tax expenses for the year	<u>2,077,522</u>	<u>936,057</u>

8. DIVIDENDS

	<u>31.3.24</u>	<u>31.3.23</u>
	£	£
Ordinary shares of £1 each		
Final	<u>1,250,000</u>	<u>1,250,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2024

9. INTANGIBLE FIXED ASSETS

	Patents and licences £
COST	
At 1 April 2023 and 31 March 2024	<u>68,882</u>
AMORTISATION	
At 1 April 2023	62,665
Amortisation for the year	<u>2,259</u>
At 31 March 2024	<u>64,924</u>
NET BOOK VALUE	
At 31 March 2024	<u>3,958</u>
At 31 March 2023	<u>6,217</u>

10. TANGIBLE FIXED ASSETS

	Freehold property £	Capital work in progress £	Plant and machinery £	Totals £
COST				
At 1 April 2023	2,391,319	329,351	5,195,036	7,915,706
Additions	1,019,650	435,741	208,882	1,664,273
Disposals	-	-	(99,831)	(99,831)
Reclassification/transfer	-	(253,986)	253,986	-
At 31 March 2024	<u>3,410,969</u>	<u>511,106</u>	<u>5,558,073</u>	<u>9,480,148</u>
DEPRECIATION				
At 1 April 2023	600,816	-	3,785,711	4,386,527
Charge for the year	91,531	-	277,304	368,835
Eliminated on disposal	-	-	(99,732)	(99,732)
At 31 March 2024	<u>692,347</u>	<u>-</u>	<u>3,963,283</u>	<u>4,655,630</u>
NET BOOK VALUE				
At 31 March 2024	<u>2,718,622</u>	<u>511,106</u>	<u>1,594,790</u>	<u>4,824,518</u>
At 31 March 2023	<u>1,790,503</u>	<u>329,351</u>	<u>1,409,325</u>	<u>3,529,179</u>

Bell,Sons & Co.(Druggists) Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2024

11. **STOCKS**

	31.3.24	31.3.23
	£	£
Stocks of Raw materials and Consumables	4,037,493	3,428,995
Finished goods	<u>8,374,873</u>	<u>5,500,700</u>
	<u>12,412,366</u>	<u>8,929,695</u>

During the year £ 771,072 (2023: £ 438,298) was recognized as an expense in Profit and Loss account in respect of the write down of inventory.

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

	31.3.24	31.3.23
	£	£
Trade debtors	8,065,748	7,182,153
Provision for bad debts	(80,049)	(23,897)
Amounts owed by group undertakings	3,019,701	3,205,055
Corporate tax receivable	132,046	-
Prepayments and accrued income	<u>586,029</u>	<u>539,957</u>
	<u>11,723,475</u>	<u>10,903,268</u>

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

	31.3.24	31.3.23
	£	£
Trade creditors	2,057,327	2,524,239
Dividend payable	1,250,000	1,250,000
Amounts owed to group undertakings	3,293,239	2,723,195
Corporation tax payable	-	237,256
Social security and other taxes	1,239,128	773,377
Other creditors	66,949	28,009
Accruals and deferred income	<u>1,632,115</u>	<u>1,337,459</u>
	<u>9,538,758</u>	<u>8,873,535</u>

14. PROVISIONS FOR LIABILITIES

	2024	2023
	£	£
Deferred tax (Accelerated Capital Allowances)	<u>526,474</u>	<u>289,690</u>

These are the major deferred tax liabilities and assets recognised by the company and in the current year there were movement amounting £ 236,784 (2023: £8,790)

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.24	31.3.23
		£1	£	£
6,334	Ordinary		<u>6,334</u>	<u>6,334</u>

16. RESERVES

	Retained earnings £	Revaluation reserve £	Totals £
At 1 April 2023	20,677,654	1,037,692	21,715,346
Profit for the year	5,510,660	-	5,510,660
Dividends	<u>(1,250,000)</u>	<u>-</u>	<u>(1,250,000)</u>
At 31 March 2024	<u>24,938,314</u>	<u>1,037,692</u>	<u>25,976,006</u>

17. 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 £ 208,104 (2023: £ 143,861)

18. CAPITAL COMMITMENTS

	31.3.24	31.3.23
	£	£
Contracted but not provided for in the financial statements	<u>414,749</u>	<u>464,404</u>

19. RELATED PARTY TRANSACTIONS EXEMPTION

The company has taken the advantage of exemption, under the terms of Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

20. 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.

21. OPERATING LEASE COMMITMENTS

Lessee

At 31 March 2024, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024	2023
	£	£
Within one year	173,570	51,939
Between two and five years	533,781	78,212
More than five years	1,181,973	-

22. PREVIOUS YEAR FIGURES

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

Bell,Sons & Co.(Druggists) Limited

Trading and Profit and Loss Account
for the Year Ended 31 March 2024

	31.3.24		31.3.23	
	£	£	£	£
Sales		53,652,924		45,768,318
Cost of sales				
Purchases	32,263,917		29,270,005	
Wages and salaries	5,025,472		3,933,389	
Social security	428,704		390,046	
Pensions	131,691		114,607	
Sundry expenses	37,653		37,232	
Direct Manufacturing costs	1,335,031		800,684	
Carriage Inwards and import duty	1,679,423		1,409,857	
Light heat and power	421,522		336,834	
Repairs and maintenance	444,248		466,498	
Product development	204,712		155,734	
Discounts allowed	73,484		55,205	
Temporary recruitment	59,776		133,007	
Sales rebate	300,502		270,105	
Amortisation of intangible fixed assets				
Patents and licences	2,259		3,823	
Depreciation of tangible fixed assets				
Depreciation of plant and equipment	351,641		342,339	
		42,760,035		37,719,365
GROSS PROFIT		10,892,889		8,048,953
Other income				
Bank interest receivable	194,089		63,231	
HMRC interest	4,537		-	
Other Income	-		89,780	
		198,626		153,011
		11,091,515		8,201,964
Expenditure				
Wages and salaries	301,766		296,252	
Social security	34,311		34,347	
Pensions	15,516		13,219	
Vehicle leasing	5,175		4,999	
Salesman expenses	22,792		26,750	
Carriage outwards	1,160,198		1,104,448	
Advertising and promotions	20,995		5,250	
Rent	79,387		74,428	
Life and medical insurance	33,302		26,718	
Wages and salaries	549,600		484,260	
Social security	53,747		40,016	
Staff pension costs defined contribution	20,965		16,036	
Carried forward	2,297,754	11,091,515	2,126,723	8,201,964

This page does not form part of the statutory financial statements

Bell,Sons & Co.(Druggists) Limited

Trading and Profit and Loss Account
for the Year Ended 31 March 2024

	31.3.24		31.3.23	
	£	£	£	£
Brought forward	2,297,754	11,091,515	2,126,723	8,201,964
Telephone and fax	45,380		43,923	
Printing and stationery	62,917		54,628	
Motor expenses	9,512		11,658	
Motor running costs	850		839	
Repairs and maintenance	134,043		99,211	
Staff recruitment costs	41,088		50,558	
Staff training and welfare	34,150		24,080	
Premises insurance	228,499		191,324	
Management recharge- Director's remuneration	279,367		307,007	
Sundry expenses	28,409		23,569	
Interest on late fees	20,479		-	
Bank charges	3,402		45,561	
Professional subscriptions	5,586		3,425	
Rates	104,674		83,958	
Other professional service	1,200		53,934	
Legal and professional fees	34,041		-	
Auditors' remuneration	9,000		9,000	
Foreign exchange losses	-		1,456	
Depreciation of tangible fixed assets	17,194		14,702	
Other Payroll cost	718		-	
Provision for Bad debts	56,152		32,824	
Employee expenses	3,882		8,561	
Canteen	2,343		2,455	
Product registrations and trademark	88,602		73,792	
		3,509,242		3,263,188
		7,582,273		4,938,776
Loss on disposal of fixed asset				
(Profit)/ Loss on disposal of fixed asset		(5,909)		20,966
NET PROFIT		<u>7,588,182</u>		<u>4,917,810</u>

This page does not form part of the statutory financial statements

Special Purpose Consolidated Financial Statements for the Year Ended 31 March 2024

for

Marksans Pharma U.K. Limited

Independent Auditors Report on the Special Purpose Consolidated Financial Information of Marksans Pharma UK Limited prepared for Consolidation Purpose

To,
MSKA & Associates
408, 4th Floor Manish Chambers,
Sonawala Rd, Jay Prakash Nagar,
Goregaon,
Mumbai 400 063

Opinion

We have audited, for the purpose of your audit of the consolidated financial statements of Marksana Pharma Limited, the accompanying special purpose consolidated financial information of Marksans Pharma U.K. Limited (the 'parent company') and its subsidiaries (the 'group') as of 31 March 2024 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, Consolidated cash flow statement 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 accompanying Special purpose consolidated financial information for Marksans Pharma UK Limited as of 31 March 2023 and for the year then ended has been prepared, in all material respects, in accordance with United Kingdom Generally Accepted Accounting Practice; and the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the special purpose consolidated financial information section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the special purpose consolidated financial information 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.

Responsibilities of directors

The directors are responsible for the preparation of the special purpose consolidated financial information 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 special purpose consolidated financial information that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose consolidated financial information, the directors are responsible for assessing the group'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 special purpose consolidated financial information

Our objectives are to obtain reasonable assurance about whether the special purpose consolidated financial information 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 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 special purpose consolidated financial information.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with those charged with governance of the company.

Independent Auditors Report on the Special Purpose Consolidated Financial Information of Marksans Pharma UK Limited prepared for Consolidation Purpose

Restriction of use and distribution

This special purpose consolidated financial information has been prepared for purposes of providing information to Marksans Pharma Limited to enable it to prepare the consolidated financial statement. The special purpose consolidated financial information is not a complete set of financial statement of Marksans Pharma UK Limited.

This report is intended solely for MSKA & Associates and should not be used by (or distributed to) other parties.



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

Date: 21/5/24

Marksans pharma U.K. Limited

Consolidated Income Statement
for the Year Ended 31 March 2024

	Notes	31.3.24 £	£	31.3.23 £	£
TURNOVER	4		89,050,443		79,158,767
Cost of sales			<u>60,601,078</u>		<u>51,612,612</u>
GROSS PROFIT			28,449,365		27,546,155
Distribution costs		1,560,753		1,485,265	
Administrative expenses		<u>5,753,537</u>		<u>5,051,472</u>	
			<u>7,314,290</u>		<u>6,536,737</u>
			21,135,075		21,009,418
Other operating income	5		<u>1,078,465</u>		<u>372,094</u>
OPERATING PROFIT	7		22,213,540		21,381,512
Gain/(loss) on disposal of assets			<u>5,909</u>		<u>(20,966)</u>
PROFIT BEFORE TAXATION			22,219,449		21,360,546
Tax on profit	9		<u>5,783,102</u>		<u>4,186,748</u>
PROFIT FOR THE FINANCIAL YEAR			<u>16,436,347</u>		<u>17,173,798</u>
Profit attributable to: Owners of the parent			<u>16,436,347</u>		<u>17,173,798</u>

Marksans pharma U.K. Limited

Consolidated Other Comprehensive Income
for the Year Ended 31 March 2024

	Notes	31.3.24 £	31.3.23 £
PROFIT FOR THE YEAR		16,436,347	17,173,798
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>16,436,347</u>	<u>17,173,798</u>
Total comprehensive income attributable to: Owners of the parent		<u>16,436,347</u>	<u>17,173,798</u>

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

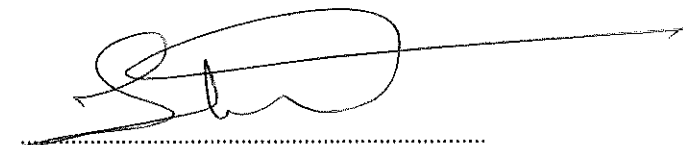
Consolidated Balance Sheet

31 March 2024

	Notes	31.3.24 £	31.3.23 £
FIXED ASSETS			
Intangible assets	12	3,657,998	4,070,472
Tangible assets	13	4,876,711	3,619,401
Investments	14	-	-
		<u>8,534,709</u>	<u>7,689,873</u>
CURRENT ASSETS			
Stocks	15	17,578,117	14,390,289
Debtors	16	26,010,783	24,723,802
Investments	17	-	4,000,000
Cash at bank and in hand		<u>30,615,802</u>	<u>20,299,878</u>
		74,204,702	63,413,969
CREDITORS			
Amounts falling due within one year	18	<u>11,331,657</u>	<u>13,869,219</u>
NET CURRENT ASSETS		<u>62,873,045</u>	<u>49,544,750</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>71,407,754</u>	<u>57,234,623</u>
PROVISIONS FOR LIABILITIES	19	<u>526,474</u>	<u>289,690</u>
NET ASSETS		<u>70,881,280</u>	<u>56,944,933</u>
CAPITAL AND RESERVES			
Called up share capital	20	8,596,941	8,596,941
Retained earnings		<u>62,284,339</u>	<u>48,347,992</u>
SHAREHOLDERS' FUNDS		<u>70,881,280</u>	<u>56,944,933</u>

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

21/05/2024



Mr. Sathish Kumar - Director

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

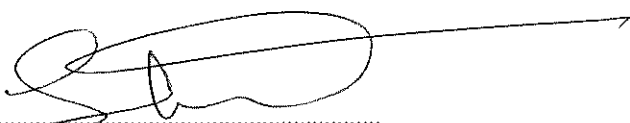
Company Balance Sheet

31 March 2024

	Notes	31.3.24 £	31.3.23 £
FIXED ASSETS			
Intangible assets	12	-	-
Tangible assets	13	-	-
Investments	14	<u>20,326,514</u>	<u>20,326,514</u>
		20,326,514	20,326,514
CURRENT ASSETS			
Debtors	16	2,500,000	2,500,000
Cash in hand		<u>232</u>	<u>-</u>
		2,500,232	2,500,000
CREDITORS			
Amounts falling due within one year	18	<u>7,920,612</u>	<u>7,906,725</u>
NET CURRENT LIABILITIES		<u>(5,420,380)</u>	<u>(5,406,725)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>14,906,134</u>	<u>14,919,789</u>
CAPITAL AND RESERVES			
Called up share capital	20	8,596,941	8,596,941
Retained earnings		<u>6,309,193</u>	<u>6,322,848</u>
SHAREHOLDERS' FUNDS		<u>14,906,134</u>	<u>14,919,789</u>
Company's profit for the financial year		<u>2,486,345</u>	<u>2,269,390</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 21/05/2024 and were signed on its behalf by:


.....
Director

Marksans pharma U.K. Limited

Consolidated Statement of Changes in Equity
for the Year Ended 31 March 2024

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2022	8,596,941	33,674,194	42,271,135
Changes in equity			
Dividends	-	(2,500,000)	(2,500,000)
Total comprehensive income	-	<u>17,173,798</u>	<u>17,173,798</u>
Balance at 31 March 2023	<u>8,596,941</u>	<u>48,347,992</u>	<u>56,944,933</u>
Changes in equity			
Dividends	-	(2,500,000)	(2,500,000)
Total comprehensive income	-	<u>16,436,347</u>	<u>16,436,347</u>
Balance at 31 March 2024	<u>8,596,941</u>	<u>62,284,339</u>	<u>70,881,280</u>

Marksans pharma U.K. Limited

Company Statement of Changes in Equity for
the Year Ended 31 March 2024

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2022	8,596,941	6,553,458	15,150,399
Changes in equity			
Profit for the year	-	2,269,390	2,269,390
Dividend	-	(2,500,000)	(2,500,000)
Total comprehensive income	-	(230,610)	(230,610)
Balance at 31 March 2023	<u>8,596,941</u>	<u>6,322,848</u>	<u>14,919,789</u>
Changes in equity			
Profit for the year	-	2,486,345	2,486,345
Dividends	-	(2,500,000)	(2,500,000)
Total comprehensive income	-	(13,655)	(13,655)
Balance at 31 March 2024	<u>8,596,941</u>	<u>6,309,193</u>	<u>14,906,134</u>

Marksans pharma U.K. Limited

Consolidated Statement of Cashflow for the
Year Ended 31 March 2024

	Note	31.3.2024 £	31.3.2023 £
Cash flows from operating activities			
Cash generated from operations	1	17,559,948	19,245,557
Taxes paid		<u>(7,911,129)</u>	<u>(3,284,782)</u>
Net cash from operating activities		<u>9,648,819</u>	<u>15,960,775</u>
Cash flows from investing activities			
Purchase of fixed deposit		-	(4,000,000)
Proceeds from maturity of fixed deposit		4,000,000	-
Interest received on fixed deposit		1,070,323	167,148
Purchase of tangible fixed asset		(1,664,273)	(544,521)
Purchase of intangible fixed assets		<u>(238,945)</u>	<u>(119,733)</u>
Net cash generated from investing activities		<u>3,167,105</u>	<u>(4,497,106)</u>
Cash flows from financing activities			
Dividends paid		<u>(2,500,000)</u>	<u>(2,500,000)</u>
Net cash from financing activities		<u>(2,500,000)</u>	<u>(2,500,000)</u>
Increase in cash and cash equivalents		10,315,924	8,963,669
Cash and cash equivalents at beginning of year	2	<u>20,299,878</u>	<u>11,336,209</u>
Cash and cash equivalents at end of year	2	<u>30,615,802</u>	<u>20,299,878</u>

Marksans pharma U.K. Limited

Consolidated Statement of Cashflow for the
Year Ended 31 March 2024

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.3.2024	31.3.2023
Profit before taxation	22,219,449	21,360,546
Depreciation and Amortisation charges	960,792	985,986
Impairment of Intangibles & Tangibles Fixed Assets	92,492	254,107
Provision for bad debts	56,152	40,401
Provision for obsolete stock	927,329	602,142
Loss on disposal of asset	5,909	20,996
Interest on Fixed deposit	<u>(1,070,323)</u>	<u>(167,148)</u>
	23,191,800	23,097,030
Decrease/(increase) in stocks	(4,115,157)	(1,798,977)
Increase in trade and other debtors	(876,758)	(5,680,547)
(Decrease)/Increase in trade and other creditors	<u>(639,937)</u>	<u>3,628,051</u>
Cash generated from operations	<u>17,559,948</u>	<u>19,245,557</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Period ended 31.3.2024

	31.3.2024	1.4.2023
	£	£
Cash and cash equivalents	<u>30,615,802</u>	<u>20,299,878</u>

Period ended 31.3.2023

	31.3.23	1.4.2022
	£	£
Cash and cash equivalents	<u>20,299,878</u>	<u>11,336,209</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.2023	Cash inflow	At 31.3.2024
	£	£	£
Net cash			
Cash at bank and in hand	<u>20,299,878</u>	<u>10,315,924</u>	<u>30,615,802</u>

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 profit for the year was £ 2,486,345 (2023- 2,269,390).

Related party exemption

The company has taken the advantage of exemption, under the terms of Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Basis of 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 2024.

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.

2. ACCOUNTING POLICIES - continued

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.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

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.

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.

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.

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.

Intangible fixed assets - goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 0, is being amortised evenly over its estimated useful life of nil years.

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.

2. ACCOUNTING POLICIES - continued

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, Prescription product licenses & Development costs

5-20 year Straight Line Method

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.

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% Costs or revaluation
Plant and machinery	20% Reducing Method
Fixtures and Fittings	25% Straight Line Method

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.

Capital work in progress of tangibles consists of asset under construction. It will be capitalized when the property is ready to use and will be depreciated over the tenure of the property.

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.

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.

2. ACCOUNTING POLICIES - continued

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.

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.

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.

De-recognition of Financial Liability

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

2. ACCOUNTING POLICIES – continued

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.

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.

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.

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.

Retirement benefits

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

2. ACCOUNTING POLICIES - continued

Critical judgements

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

3. 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.

4. TURNOVER

An analysis of company's turnover is as follows:

	2024 £	2023 £
Turnover		
Sale of goods	<u>89,050,443</u>	<u>79,158,767</u>

The analysis of turnover by geographical markets:

	31.3.24 £	31.3.23 £
United Kingdom	82,362,411	73,688,053
Europe	943,358	579,053
Rest of the world	<u>5,744,674</u>	<u>4,891,661</u>
Total	<u>89,050,443</u>	<u>79,158,767</u>

5. OTHER OPERATING INCOME

	31.3.24 £	31.3.23 £
Bank Interest Income	1,070,323	167,148
Other Income	8,142	204,946
	<u>1,078,465</u>	<u>372,094</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2024

6. EMPLOYEES AND DIRECTORS

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

	2024	2023
Production	200	125
Sales and Administration	<u>18</u>	<u>75</u>
	<u>218</u>	<u>200</u>

Their aggregate remuneration comprised of:

	2024	2023
	£	£
Wages and salaries	7,644,092	5,706,586
Social security costs	754,353	626,108
Other pension costs	<u>239,805</u>	<u>215,458</u>
	<u>8,638,250</u>	<u>6,548,152</u>

During the year, director remuneration was £1,291,821 (2023- £ 801,139) including social security and other pension cost.

During the year, retirement benefits accrued to none of the directors of Marksans Pharma U.K Limited in respect of defined benefit and contribution schemes (2023: Nil).

7. OPERATING PROFIT

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

	2024	2023
	£	£
Amortisation of tangible assets	406,864	433,578
Amortisation of intangible assets	555,179	552,408
Foreign exchange loss	-	(72,655)
Provision for bad Debts	56,152	40,401
Bad debts	-	339,986
Impairment of Intangibles	<u>92,492</u>	<u>109,511</u>

8. AUDITORS' REMUNERATION

Fees payable to the company's auditors

	2024	2023
	£	£
For audit services		
Audit of the financial statements of the group and company	5,400	5,400
Audit of the company's subsidiaries	22,600	22,600
For other services	<u>3,600</u>	<u>3,600</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2024

9. TAXATION

	2024 £	2023 £
Current tax:		
UK corporation tax on profit	5,609,097	4,107,578
(Excess)/Short provision of prior year	<u>(62,779)</u>	<u>70,380</u>
UK Corporation tax on profits for the current period	<u>5,546,318</u>	<u>4,177,958</u>
Deferred tax:		
Originating and reversal timing differences	<u>236,784</u>	<u>8,790</u>
Total tax expense	5,783,102	4,186,748
The charges for the year can be reconciled to the profit and loss account as follows:		
	2024 £	2023 £
Profit before Taxation on continued operations	22,219,449	21,360,546
Rate of corporation tax of 25% (2023-19%)	5,554,862	4,058,504
Tax effect of expenses that are not deductible in determining taxable profit	79,744	52,812
(Excess)/Short provision of previous years	(62,831)	70,380
Amortisation on assets not qualifying for tax allowances	71,464	54,312
R & D claims credit	(119,850)	(65,285)
Difference of Capital allowances and depreciation	<u>259,713</u>	<u>16,025</u>
	228,240	128,244
Tax Expense for the year	<u>5,783,102</u>	<u>4,186,748</u>

10. 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.

11. DIVIDENDS

	31.3.24 £	31.3.23 £
Ordinary share capital £1 each	<u>2,500,000</u>	<u>2,500,000</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2024

12. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	CWIP £	Product License £	Totals £
COST				
At 1 April 2023	5,717,140	310,760	5,944,773	11,972,673
Additions	-	238,945	-	238,945
Disposals	-	-	(5,000)	(5,000)
Reclassification/transfer	-	(114,304)	114,304	-
At 31 March 2024	<u>5,717,140</u>	<u>435,401</u>	<u>6,054,077</u>	<u>12,206,618</u>
AMORTISATION				
At 1 April 2023	4,321,252	52,171	3,528,778	7,902,201
Amortisation for year	285,857	-	269,322	555,179
Eliminated on disposal	-	-	(1,252)	(1,252)
Impairments	-	-	92,492	92,492
At 31 March 2024	<u>4,607,109</u>	<u>52,171</u>	<u>3,889,340</u>	<u>8,548,620</u>
NET BOOK VALUE				
At 31 March 2024	<u>1,110,031</u>	<u>383,230</u>	<u>2,164,737</u>	<u>3,657,998</u>
At 31 March 2023	<u>1,395,888</u>	<u>258,589</u>	<u>2,415,995</u>	<u>4,070,472</u>

The Company does not own any intangible fixed assets.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2024

13. TANGIBLE FIXED ASSETS

Group

	Freehold property £	CWIP £	Plant and machinery £	Fixtures and fittings £	Totals £
COST					
At 1 April 2023	2,391,319	329,351	5,195,036	398,869	8,314,575
Additions	1,019,650	435,741	208,882	-	1,664,273
Disposals	-	-	(99,831)	-	(99,831)
Reclassification/transfer	-	(253,986)	253,986	-	-
At 31 March 2024	3,410,969	511,106	5,558,073	398,869	9,879,017
DEPRECIATION					
At 1 April 2023	600,816	-	3,785,711	308,647	4,695,174
Charge for year	91,531	-	277,304	38,029	406,864
Eliminated on disposal	-	-	(99,732)	-	(99,732)
At 31 March 2024	692,347	-	3,963,283	346,676	5,002,306
NET BOOK VALUE					
At 31 March 2024	2,718,622	511,106	1,594,790	52,193	4,876,711
At 31 March 2023	1,790,503	329,351	1,409,325	90,222	3,619,401

The Company does not own any tangible fixed assets.

14. FIXED ASSET INVESTMENTS

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Investments in subsidiaries	-	-	20,326,514	20,326,514

Details of the company's subsidiaries at 31 March 2024 are as follows:

Name of undertaking	Country of incorporation of residency	Nature of business	Class of shareholding	% Held		Profit	Capital and Reserves
				Direct	Indirect		
Marksans Holdings Limited	England and Wales	Holding Company	Ordinary	100	-	1,250,000	1,490,874
Bell, Sons & Co (Druggists) Limited	England and Wales	Pharmaceuticals	Ordinary	-	100	5,510,660	25,982,340
Relonchem Limited	England and Wales	Pharmaceuticals	Ordinary	100	-	11,484,797	49,894,749

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2024

15. STOCKS

	Notes	Group		Company	
		2024	2023	2024	2023
		£	£	£	£
Raw materials and consumables		4,037,493	3,003,133	-	-
Finished goods and goods for resale		13,540,624	11,387,156	-	-
		<u>17,578,117</u>	<u>14,390,289</u>	<u>-</u>	<u>-</u>

During the year £927,329 (2023: £602,142) was recognized as an expense in Profit and Loss account in respect of the write down of inventory to net realizable value.

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.24	31.3.23	31.3.24	31.3.23
	£	£	£	£
Trade debtors	16,140,950	15,990,079	-	-
Provision for doubtful debts	(92,948)	(40,401)	-	-
Amounts owed by group undertakings	8,673,352	7,935,183	-	-
Other debtors	40,000	40,000	-	-
Dividend payable	-	-	2,500,000	2,500,000
Tax refund receivable	467,133	-	-	-
Prepayments and accrued income	<u>782,296</u>	<u>798,941</u>	<u>-</u>	<u>-</u>
	<u>26,010,783</u>	<u>24,723,802</u>	<u>2,500,000</u>	<u>2,500,000</u>

17. CURRENT ASSET INVESTMENTS

	Group	
	31.3.24	31.3.23
	£	£
Shares in group undertakings	<u>-</u>	<u>4,000,000</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.24	31.3.23	31.3.24	31.3.23
	£	£	£	£
Trade creditors	2,973,374	3,670,952	-	-
Dividend payable	2,500,000	2,500,000	2,500,000	2,500,000
Amounts owed to group undertakings	-	-	5,420,612	5,399,325
Corporation tax Payable	-	1,834,846	-	-
Social security and other taxes	1,288,147	819,221	-	-
VAT payable	1,208,323	1,718,506	-	-
Other creditors	72,610	32,782	-	-
Accruals and deferred income	<u>3,289,203</u>	<u>3,292,912</u>	<u>-</u>	<u>7,400</u>
	<u>11,331,657</u>	<u>13,869,219</u>	<u>7,920,612</u>	<u>7,906,725</u>

19. PROVISIONS FOR LIABILITIES

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Deferred tax liabilities	<u>236,784</u>	<u>289,690</u>	<u>-</u>	<u>-</u>

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.3.24	31.3.23
			£	£
8,596,941	Ordinary Share Capital	£ 1	<u>8,596,941</u>	<u>8,596,941</u>

21. CAPITAL COMMITMENTS

	31.3.24	31.3.23
	£	£
Contracted but not provided for in the financial statements	<u>2,261,999</u>	<u>494,279</u>

22. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

23. 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.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2024

24. RETIREMENT BENEFIT SCHEMES

	2024	2023
	£	£
Defined contribution schemes		
Charge to profit and loss in respect of defined contribution schemes	<u>239,805</u>	<u>215,458</u>

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.

25. OPERATING LEASES COMMITMENTS

Leases

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

At 31 March 2024, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2024	Group 2023	Company 2024	Company 2023
	£	£	£	£
Within one year	304,424	348,455	-	-
Between two and five years	1,488,510	1,552,882	-	-
After five years	<u>144,304</u>	<u>144,303</u>	-	-

26. 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.

	2024	2023
	£	£
Group		
Accelerated capital allowances	<u>526,474</u>	<u>289,690</u>

There were deferred tax movements amounting £ 236,784 in the year.

The company has no deferred tax assets or liabilities.

27. PREVIOUS YEAR FIGURES

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

Marksans pharma U.K. Limited

Consolidated Trading and Profit and Loss Account
for the Year Ended 31 March 2024

	31.3.24		31.3.23	
	£	£	£	£
Sales		89,050,443		79,158,767
Cost of sales				
Purchases	46,786,787		40,382,321	
Wages	5,025,472		3,933,389	
Social security	428,704		390,046	
Pension	131,691		114,607	
Pharmaceuticals license fees	287,293		215,269	
Sundry expenses	37,653		-	
Laboratory testing	522,577		431,893	
Storage	889,799		725,441	
Direct Manufacturing costs	1,335,031		800,684	
Carriage Inwards and import duty	2,306,685		1,934,257	
Power, light and heat	421,522		336,834	
Property repairs and maintenance	444,248		466,498	
Product development	204,712		155,734	
Regulatory & Vigilance Fees	991,242		921,130	
Discount Allowed	73,484		55,205	
Temporary recruitment	59,776		133,007	
Sales rebate	300,502		270,105	
Amortisation of intangible fixed assets				
Patents and licences	2,259		3,823	
Depreciation of tangible fixed assets				
Plant and machinery	351,641		342,339	
		<u>60,601,078</u>		<u>51,612,612</u>
GROSS PROFIT		28,449,365		27,546,155
Other income				
Interest Income	1,070,323		167,148	
Other Income	8,142		204,946	
		<u>1,078,465</u>		<u>372,094</u>
		29,527,830		27,918,279
Expenditure				
Wages	301,766		296,252	
Social security	53,747		34,347	
Pensions	15,516		13,219	
Vehicles Leasing	5,175		4,999	
Salesman expenses	22,792		26,750	
Carriage inwards and import duty	1,160,198		1,104,448	
Carried forward	1,559,194	29,987,830	1,453,051	27,918,249

This page does not form part of the statutory financial statements

Marksans pharma U.K. Limited

Consolidated Trading and Profit and Loss Account
for the Year Ended 31 March 2024

	31.3.24		31.3.23	
	£	£	£	£
Brought forward	1,559,194	29,987,830	1,453,051	27,918,249
Advertising	20,995		5,250	
Rent	112,706		100,716	
Insurances (not premises)	309,072		156,213	
Wages	1,500,764		1,248,676	
Social security	271,902		201,714	
Pensions	71,623		87,633	
Telecommunications	55,687		53,596	
Printing & Stationery	67,490		60,877	
Post and Courier	243		1,988	
Travelling	108,409		68,403	
Leasing Motor expenses	9,512		11,658	
Motor running expenses	4,142		3,662	
Property repairs and maintenance	144,231		99,211	
Staff recruitment costs	59,148		60,318	
Waste Disposal Expenses	12,733		23,754	
Staff training	34,150		24,080	
Premises insurance	228,499		191,324	
Staff pension remuneration	20,965		-	
Sundry expenses	40,769		272,238	
Conference Cost	11,000		10,375	
Bank charges	13,687		62,432	
Professional subscriptions	5,586		4,051	
Rates	104,674		83,958	
Accountancy fee	12,001		14,820	
GMC Inspection expenses	3,977		-	
Directors' remuneration	1,291,821		696,726	
Interest on Late fees	155,711		-	
Legal and Professional fees	80,092		83,174	
Auditors' remuneration	19,200		28,000	
Profit or loss on foreign exchange	-		(72,655)	
Amortisation of intangible fixed assets	551,669		548,585	
Depreciation of tangible fixed assets	55,223		91,239	
Impairment losses for intangible fixed assets	92,492		254,107	
Computer software	24,575		14,988	
Entertaining	59,369		50,416	
Provision for Bad and doubtful debts	56,152		40,401	
Consultancy fees	50,000		50,000	
Employee Expenses	3,882		8,561	
Canteen expenses	2,343		2,455	
Bad debts	-		339,986	
Product registrations and trademark	88,602		73,792	
		<u>7,314,290</u>		<u>6,536,737</u>
		22,213,540		21,381,512

This page does not form part of the statutory financial statements

Marksans pharma U.K. Limited

Consolidated Trading and Profit and Loss Account
for the Year Ended 31 March 2024

	31.3.24	31.3.23
	£	£
Brought forward	22,213,540	21,381,542
Gain/loss on disposal of assets		
Gain/loss on disposal of assets	<u>5,909</u>	<u>(20,996)</u>
NET PROFIT	<u><u>22,219,449</u></u>	<u><u>21,360,546</u></u>

This page does not form part of the statutory financial statements

Marksans pharma U.K. Limited

Report of the Directors and
Financial Statements for the Year Ended 31 March 2024
for
Marksans Holdings Limited

Marksans Holdings Limited

Contents of the Financial Statements
for the Year Ended 31 March 2024

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Directors' Responsibilities Statement	3
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Statement of Changes in Equity	10
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Marksans Holdings Limited

Company Information
for the Year Ended 31 March 2024

DIRECTORS:

Mr. Sathish Kumar
Mrs. S Saldanha
Mr. M Saldanha
Mr.J Sharma
Mr S R Buddharaju
Mr John Stephen Molyneux (Appointed 9 May 2024)
Mr C Hunter (Resigned on 10 May 2024)

SECRETARY:

Mrs G Jacks

REGISTERED OFFICE:

Cheshire House
Gorse Lane
Widnes
Cheshire
WA8 0RP

REGISTERED NUMBER:

05591744 (England and Wales)

AUDITORS:

PBG Associates Limited
Chartered Accountants and Statutory Auditors
65 Delamere Road
Hayes, Middlesex
UB4 0NN

Marksans Holdings Limited

Report of the Directors
for the Year Ended 31 March 2024

The directors present their annual report and financial statement for the year ended 31 March 2024.

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.

DIVIDENDS

Dividend declared amounted to £1.25 million for the year ended 2024.

DIRECTORS

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

Mr. M Saldanha
Mr. S Jayanna
Mr. J Sharma
Mrs. S Saldanha
Mr. C Hunter (Resigned on 10 May 2024)
Mr. Buddharaju, Seetharama Raju
Mr John Stephen Molyneux (Appointed 9 May 2024)

RESULTS AND DIVIDENDS

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

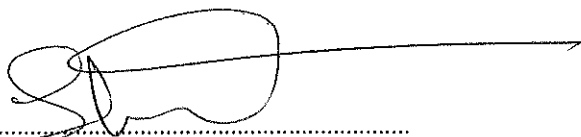
STATEMENT OF DISCLOSURE TO AUDITORS

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.

AUDITORS

The auditors, PBG Associates Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
Mr. Sathish Kumar - Director

Date: 21/05/2024

Marksans Holdings Limited

Directors' Responsibilities Statement for the Year Ended 31 March 2024

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 taking 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 2024 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 2024 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions 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.

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with those charged with governance of the company.

Our approach was as follows:

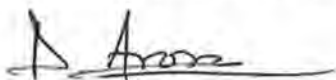
- We obtained a general understanding of the legal and regulatory frameworks that are applicable to the company and determined that there are no significant laws and regulations except for company's legislation and the financial reporting framework (UK GAAP). We obtained a general understanding of how the company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance matters of the Company.
- The Company's principal activity was that a holding company of Bell, Sons & Co. (Druggists) Limited, a company that Manufactures pharmaceuticals products. As such the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of specialists where appropriate.
- Enquiries with the management concerning any actual or potential litigation or claims; inspection of relevant legal correspondence if any; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

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.

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

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, Middlesex
UB4 0NN

Date: 21/5/24

Marksans Holdings Limited

Income Statement
for the Year Ended 31 March 2024

	Notes	31.3.24 £	31.3.23 £
TURNOVER		-	-
Other operating income		<u>1,250,000</u>	<u>1,250,000</u>
OPERATING PROFIT and PROFIT BEFORE TAXATION		1,250,000	1,250,000
Tax on profit	5	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>1,250,000</u></u>	<u><u>1,250,000</u></u>

The notes form part of these financial statements

Marksans Holdings Limited

Other Comprehensive Income
for the Year Ended 31 March 2024

	Notes	31.3.24 £	31.3.23 £
PROFIT FOR THE YEAR		1,250,000	1,250,000
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>1,250,000</u></u>	<u><u>1,250,000</u></u>

The notes form part of these financial statements


Marksans Holdings Limited (Registered number: 05591744)

Balance Sheet
31 March 2024

	Notes	31.3.24 £	£	31.3.23 £	£
FIXED ASSETS					
Investments	7		1,490,874		1,490,874
CURRENT ASSETS					
Debtors	8	1,250,000		1,250,000	
CREDITORS					
Amounts falling due within one year	9	<u>1,250,000</u>		<u>1,250,000</u>	
NET CURRENT LIABILITIES			-		-
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,490,874</u>		<u>1,490,874</u>
CAPITAL AND RESERVES					
Called up share capital	10		1,000		1,000
Retained earnings	11		-		-
Share premium	11		<u>1,489,874</u>		<u>1,489,874</u>
SHAREHOLDERS' FUNDS			<u>1,490,874</u>		<u>1,490,874</u>

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

21/05/2024


.....
Mr. Sathish Kumar - Director

The notes form part of these financial statements

Marksans Holdings Limited

Statement of Changes in Equity
for the Year Ended 31 March 2024

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 April 2022	1,000	-	1,489,874	1,490,874
Changes in equity				
Dividends	-	(1,250,000)	-	(1,250,000)
Total comprehensive income	-	1,250,000	-	1,250,000
Balance at 31 March 2023	<u>1,000</u>	<u>-</u>	<u>1,489,874</u>	<u>1,490,874</u>
Changes in equity				
Dividends	-	(1,250,000)	-	(1,250,000)
Total comprehensive income	-	1,250,000	-	1,250,000
Balance at 31 March 2024	<u>1,000</u>	<u>-</u>	<u>1,489,874</u>	<u>1,490,874</u>

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.

Related Party exemption

The company has taken the advantage of exemption, under the terms of Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

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.

2. ACCOUNTING POLICIES - continued

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.

Financial instruments

The company 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.

2. ACCOUNTING POLICIES - continued

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.

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.

2. ACCOUNTING POLICIES - continued

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. These amounts are recognised in the statement of changes in equity.

Dividend income

Dividend income is recognised when the right to receive payment is established.

3. EMPLOYEES AND DIRECTORS

The average monthly number of persons (including directors) employed by the company during the year was nil (2023: 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 2024 nor for the year ended 31 March 2023.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2024

6. **DIVIDENDS**

	31.3.24 £	31.3.23 £
1000, Ordinary shares of £1 each:	1,250,000	1,250,000
Final Dividend		

7. **FIXED ASSET INVESTMENTS**

	2024 £	2023 £
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 2023 & 31 March 2024	1,490,874
Carrying amount	
At 31 March 2024	1,490,874
At 31 March 2023	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 2024 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 £	Capital and Reserve £
Bell, Sons & Co.(Druggists) Limited	5,510,660	25,982,340

Marksans Holdings Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2024

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

	31.3.24	31.3.23
	£	£
Dividends receivable	<u>1,250,000</u>	<u>1,250,000</u>

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

	31.3.24	31.3.23
	£	£
Dividend payable	<u>1,250,000</u>	<u>1,250,000</u>

10. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.24	31.3.23
		£1	£	£
1,000	Ordinary Share Capital		<u>1,000</u>	<u>1,000</u>

11. **RESERVES**

	Retained earnings £	Share premium £	Totals £
At 1 April 2023	-	1,489,874	1,489,874
Profit for the year	1,250,000	-	1,250,000
Dividends	<u>(1,250,000)</u>	<u>-</u>	<u>(1,250,000)</u>
At 31 March 2024	<u>-</u>	<u>1,489,874</u>	<u>1,489,874</u>

12. **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.

Marksans Holdings Limited

Detailed Profit and Loss Account
for the Year Ended 31 March 2024

	31.3.24		31.3.23	
	£	£	£	£
Income		-		-
Other income				
Dividend Income		<u>1,250,000</u>		<u>1,250,000</u>
		<u>1,250,000</u>		<u>1,250,000</u>
NET PROFIT		<u><u>1,250,000</u></u>		<u><u>1,250,000</u></u>

Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 31 March 2024

for

Marksans Pharma U.K. Limited

Registration Number: 05467597 (England and Wales)

Marksans Pharma U.K. Limited

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for the Year Ended 31 March 2024

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Marksans Pharma U.K. Limited

Company Information
for the Year Ended 31 March 2024

DIRECTORS:

Mr. M Saldanha
Mrs. S Saldanha
Mr.J Sharma
Mr S R Buddharaju
Mr. Sathish Kumar
Mr John Stephen Molyneux (Appointed 9 May 2024)
Mr C Hunter (Resigned on 10 May 2024)

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 Statutory Auditors
65 Delamere Road
Hayes, Middlesex
UB4 0NN

Marksans pharma U.K. Limited

Group Strategic Report
for the Year Ended 31 March 2024

The directors present their strategic report of the company and the group for the year ended 31 March 2024.

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 excellent. During the period sales increased from £45,768,318 to £53,652,924. Bell's manufactures licensed products - both as own branded products and, for certain customers, in own label form together with a range of unlicensed products. The company owns a manufacturing facility in Southport complete with new pilot plant and expanded laboratories 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 export markets are West Africa and Middle East.

Increasing overheads and raw material costs continue to threaten margins. The company is able to manage the risk by establishing strong multi-supplier relationships to better control future increases and secure reliable supply and, in addition, production methods are consistently being reviewed to ensure the most efficient operations are in place. The company also utilises the manufacturing capabilities of the parent company which secures timely and reliable supplies.

The directors consider the results of Relonchem Limited for the year to be excellent. During the period sales increased from £41,424,228 to £46,515,049. Turnover has increased year on year by 12% due to a variety of reasons including an increase in customer demand, changes in product mix and selling price increases. The utilisation of the manufacturing capability of the parent company allows the company to take full advantage of commercial opportunities as and when they arise.

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

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

The group is able to manage risks by utilising manufacturing capabilities of parent company (Marksans Pharma Limited) which also secures reliable supplies. In addition, production methods are constantly being reviewed to ensure the most efficient operation are in place. The directors therefore expect the performance of the company to continue to be improved in the next financial year.

Principal risk and uncertainties arise from a competitive market.

Marksans pharma U.K. Limited

Group Strategic Report
for the Year Ended 31 March 2024

The Directors have acted in a way that they considered, in good faith, would be most likely to promote the success of Company for the benefits of its members as a whole, and in doing so had regard (amongst other matters) to the matters listed in section 172(1)(a) to (f) when performing their duties and comment as follows:

- a. the Directors are satisfied that the current business activity is in the long term interest of the Company and its Shareholder;
- b. the Directors considers that the employees are one of the key stakeholders and continue to focus on training and supporting of the employees in the understanding that a well informed and trained workforce is essential for the Company's ongoing success,
- c. the Directors have adequately fostered the business relationship with the suppliers, customers and others;
- d. the Directors are satisfied and have properly responded to the needs of the community and concerns regarding the environment, due to the operation of the company;
- e. the Company's business is to continue to becoming holding company whose subsidiaries are into development, registration and distribution of generic prescription Pharmaceuticals , manufacture and sale of Pharmaceuticals in the UK. The Directors are satisfied that the Company have maintained a reputation for high standards of business conduct, including its dealing with its customers, employees and the regulators, and

The Company has adequately and fairly kept its shareholders fully informed and provided quarterly financial statements and progress of the Company's business

Energy consumption and Greenhouse gas emissions. During the year, the Group consumed 1,331,046 kWh of electricity (a 24% increase on previous year) and 395,402 kWh of gas (a 17% decrease on previous year). There were no other material emissions as a result of the company's activities. Our gross greenhouse gas (GHG) emissions for the year ended 31 March 2024 were 289 tonnes of CO₂. We have calculated our Carbon footprint using data from the energy supplier's renewable ratio percentage, as well as the recommended government conversion factors to create a bespoke figure based on Group consumption.

Energy saving initiatives have been progressed in 2024 with 379 self-consumption photovoltaic units (solar panels) across 979m² of the roof space giving 204 kWh. This is delivering a further electricity saving of 27%. All new gas and electricity contracts have also been signed on green basis, meaning all utility supplies are from renewable sources

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 before dividend amounted to £16,436,347 (2023: £ 17,173,798)

ON BEHALF OF THE BOARD:



.....
Director

Date: 21/05/2024

Marksans pharma U.K. Limited

Report of the Directors
for the Year Ended 31 March 2024

The directors present their group annual report and financial statements for the year ended 31 March 2024.

PRINCIPAL ACTIVITY

The principal 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.

DIVIDENDS

The total distribution of dividends for the year ended 31 March 2024 is £2,500,000 (2022- £2,500,000).

DIRECTORS

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

Mr. M Saldanha
Mr. J Sharma
Mrs. S Saldanha
Mr S Jayanna
Mr Colin Hunter (Resigned on 10 May 2024)
Mr. Buddharaju, Seetharama Raju
Mr John Stephen Molyneux (Appointed on 9 May 2024)

RESULTS AND DIVIDENDS

The results for the year are set out on page 9.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (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 the state of affairs of the company and the group and of the profit or loss of the group 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 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 company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Marksans pharma U.K. Limited

Report of the Directors
for the Year Ended 31 March 2024

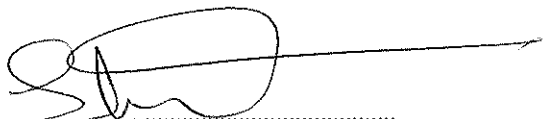
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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.

AUDITORS

The auditors, PBG Associates Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
Mr. Sathish Kumar - Director

Date: 21/05/2024

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 2024 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, Consolidated cash flow statement 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 2024 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions 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.

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 five, 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the Company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, UK taxation legislation, and the Medicines and Healthcare products Regulatory Agency, laws & Regulatory related to product safety, the European Medicine Agency, Anti bribery and competition law and other UK Tax legislation.
- The Company's principal activity was that of a holding company in the pharmaceuticals industry. As such the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of specialists where appropriate.
- Enquiries with the management concerning any actual or potential litigation or claims; inspection of relevant legal correspondence if any; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

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

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, Middlesex
UB4 0NN

Date: 21/5/24

Marksans pharma U.K. Limited

Consolidated Income Statement
for the Year Ended 31 March 2024

	Notes	31.3.24 £	£	31.3.23 £	£
TURNOVER	4		89,050,443		79,158,767
Cost of sales			<u>60,601,078</u>		<u>51,612,612</u>
GROSS PROFIT			28,449,365		27,546,155
Distribution costs		1,560,753		1,485,265	
Administrative expenses		<u>5,753,537</u>		<u>5,051,472</u>	
			<u>7,314,290</u>		<u>6,536,737</u>
			21,135,075		21,009,418
Other operating income	5		<u>1,078,465</u>		<u>372,094</u>
OPERATING PROFIT	7		22,213,540		21,381,512
Gain/(loss) on disposal of assets			<u>5,909</u>		<u>(20,966)</u>
PROFIT BEFORE TAXATION			22,219,449		21,360,546
Tax on profit	9		<u>5,783,102</u>		<u>4,186,748</u>
PROFIT FOR THE FINANCIAL YEAR			<u>16,436,347</u>		<u>17,173,798</u>
Profit attributable to:					
Owners of the parent			<u>16,436,347</u>		<u>17,173,798</u>

Marksans pharma U.K. Limited

Consolidated Other Comprehensive Income
for the Year Ended 31 March 2024

	Notes	31.3.24 £	31.3.23 £
PROFIT FOR THE YEAR		16,436,347	17,173,798
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>16,436,347</u>	<u>17,173,798</u>
Total comprehensive income attributable to: Owners of the parent		<u>16,436,347</u>	<u>17,173,798</u>

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

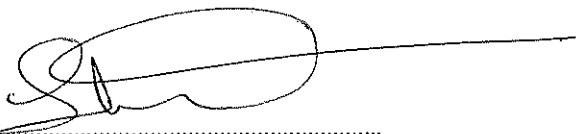
Consolidated Balance Sheet

31 March 2024

	Notes	31.3.24 £	31.3.23 £
FIXED ASSETS			
Intangible assets	12	3,657,998	4,070,472
Tangible assets	13	4,876,711	3,619,401
Investments	14	-	-
		<u>8,534,709</u>	<u>7,689,873</u>
CURRENT ASSETS			
Stocks	15	17,578,117	14,390,289
Debtors	16	26,010,783	24,723,802
Investments	17	-	4,000,000
Cash at bank and in hand		<u>30,615,802</u>	<u>20,299,878</u>
		74,204,702	63,413,969
CREDITORS			
Amounts falling due within one year	18	<u>11,331,657</u>	<u>13,869,219</u>
NET CURRENT ASSETS		<u>62,873,045</u>	<u>49,544,750</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>71,407,754</u>	<u>57,234,623</u>
PROVISIONS FOR LIABILITIES	19	<u>526,474</u>	<u>289,690</u>
NET ASSETS		<u>70,881,280</u>	<u>56,944,933</u>
CAPITAL AND RESERVES			
Called up share capital	20	8,596,941	8,596,941
Retained earnings		<u>62,284,339</u>	<u>48,347,992</u>
SHAREHOLDERS' FUNDS		<u>70,881,280</u>	<u>56,944,933</u>

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

21/05/2024



Mr. Sathish Kumar - Director

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

Company Balance Sheet

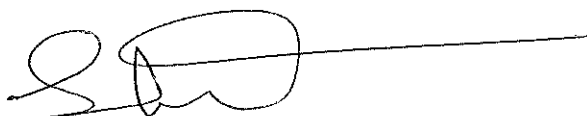
31 March 2024

	Notes	31.3.24 £	31.3.23 £
FIXED ASSETS			
Intangible assets	12	-	-
Tangible assets	13	-	-
Investments	14	<u>20,326,514</u>	<u>20,326,514</u>
		20,326,514	20,326,514
CURRENT ASSETS			
Debtors	16	2,500,000	2,500,000
Cash in hand		<u>232</u>	<u>-</u>
		2,500,232	2,500,000
CREDITORS			
Amounts falling due within one year	18	<u>7,920,612</u>	<u>7,906,725</u>
NET CURRENT LIABILITIES		<u>(5,420,380)</u>	<u>(5,406,725)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>14,906,134</u>	<u>14,919,789</u>
CAPITAL AND RESERVES			
Called up share capital	20	8,596,941	8,596,941
Retained earnings		<u>6,309,193</u>	<u>6,322,848</u>
SHAREHOLDERS' FUNDS		<u>14,906,134</u>	<u>14,919,789</u>
Company's profit for the financial year		<u>2,486,345</u>	<u>2,269,390</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

21/05/2024



Director

Marksans pharma U.K. Limited

Consolidated Statement of Changes in Equity
for the Year Ended 31 March 2024

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2022	8,596,941	33,674,194	42,271,135
Changes in equity			
Dividends	-	(2,500,000)	(2,500,000)
Total comprehensive income	-	<u>17,173,798</u>	<u>17,173,798</u>
Balance at 31 March 2023	<u>8,596,941</u>	<u>48,347,992</u>	<u>56,944,933</u>
Changes in equity			
Dividends	-	(2,500,000)	(2,500,000)
Total comprehensive income	-	<u>16,436,347</u>	<u>16,436,347</u>
Balance at 31 March 2024	<u>8,596,941</u>	<u>62,284,339</u>	<u>70,881,280</u>

Marksans pharma U.K. Limited

Company Statement of Changes in Equity for
the Year Ended 31 March 2024

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2022	8,596,941	6,553,458	15,150,399
Changes in equity			
Profit for the year	-	2,269,390	2,269,390
Dividend	-	(2,500,000)	(2,500,000)
Total comprehensive income	-	(230,610)	(230,610)
Balance at 31 March 2023	<u>8,596,941</u>	<u>6,322,848</u>	<u>14,919,789</u>
Changes in equity			
Profit for the year	-	2,486,345	2,486,345
Dividends	-	(2,500,000)	(2,500,000)
Total comprehensive income	-	(13,655)	(13,655)
Balance at 31 March 2024	<u>8,596,941</u>	<u>6,309,193</u>	<u>14,906,134</u>

Marksans pharma U.K. Limited

Consolidated Statement of Cashflow for the
Year Ended 31 March 2024

	Note	31.3.2024 £	31.3.2023 £
Cash flows from operating activities			
Cash generated from operations	1	17,559,948	19,245,557
Taxes paid		<u>(7,911,129)</u>	<u>(3,284,782)</u>
Net cash from operating activities		<u>9,648,819</u>	<u>15,960,775</u>
Cash flows from investing activities			
Purchase of fixed deposit		-	(4,000,000)
Proceeds from maturity of fixed deposit		4,000,000	-
Interest received on fixed deposit		1,070,323	167,148
Purchase of tangible fixed asset		<u>(1,664,273)</u>	<u>(544,521)</u>
Purchase of intangible fixed assets		<u>(238,945)</u>	<u>(119,733)</u>
Net cash generated from investing activities		<u>3,167,105</u>	<u>(4,497,106)</u>
Cash flows from financing activities			
Dividends paid		<u>(2,500,000)</u>	<u>(2,500,000)</u>
Net cash from financing activities		<u>(2,500,000)</u>	<u>(2,500,000)</u>
Increase in cash and cash equivalents		10,315,924	8,963,669
Cash and cash equivalents at beginning of year	2	<u>20,299,878</u>	<u>11,336,209</u>
Cash and cash equivalents at end of year	2	<u>30,615,802</u>	<u>20,299,878</u>

Marksans pharma U.K. Limited

Consolidated Statement of Cashflow for the
Year Ended 31 March 2024

1. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	31.3.2024	31.3.2023
Profit before taxation	22,219,449	21,360,546
Depreciation and Amortisation charges	960,792	985,986
Impairment of Intangibles & Tangibles Fixed Assets	92,492	254,107
Provision for bad debts	56,152	40,401
Provision for obsolete stock	927,329	602,142
Loss on disposal of asset	5,909	20,996
Interest on Fixed deposit	<u>(1,070,323)</u>	<u>(167,148)</u>
	23,191,800	23,097,030
Decrease/(increase) in stocks	(4,115,157)	(1,798,977)
Increase in trade and other debtors	(876,758)	(5,680,547)
(Decrease)/Increase in trade and other creditors	<u>(639,937)</u>	<u>3,628,051</u>
Cash generated from operations	<u>17,559,948</u>	<u>19,245,557</u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Period ended 31.3.2024

	31.3.2024	1.4.2023
	£	£
Cash and cash equivalents	<u>30,615,802</u>	<u>20,299,878</u>

Period ended 31.3.2023

	31.3.23	1.4.2022
	£	£
Cash and cash equivalents	<u>20,299,878</u>	<u>11,336,209</u>

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.4.2023	Cash inflow	At 31.3.2024
	£	£	£
Net cash			
Cash at bank and in hand	<u>20,299,878</u>	<u>10,315,924</u>	<u>30,615,802</u>

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 profit for the year was £ 2,486,345 (2023- 2,269,390).

Related party exemption

The company has taken the advantage of exemption, under the terms of Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Basis of 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 2024.

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.

2. ACCOUNTING POLICIES - continued

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.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

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.

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.

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.

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.

Intangible fixed assets - goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 0, is being amortised evenly over its estimated useful life of nil years.

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.

2. ACCOUNTING POLICIES - continued

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, Prescription product licenses & Development costs

5-20 year Straight Line Method

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.

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% Costs or revaluation
Plant and machinery	20% Reducing Method
Fixtures and Fittings	25% Straight Line Method

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.

Capital work in progress of tangibles consists of asset under construction. It will be capitalized when the property is ready to use and will be depreciated over the tenure of the property.

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.

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.

2. ACCOUNTING POLICIES - continued

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.

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.

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.

De-recognition of Financial Liability

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

2. ACCOUNTING POLICIES – continued

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.

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.

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.

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.

Retirement benefits

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

2. ACCOUNTING POLICIES - continued

Critical judgements

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

3. 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.

4. TURNOVER

An analysis of company's turnover is as follows:

	2024 £	2023 £
Turnover		
Sale of goods	<u>89,050,443</u>	<u>79,158,767</u>

The analysis of turnover by geographical markets:

	31.3.24 £	31.3.23 £
United Kingdom	82,362,411	73,688,053
Europe	943,358	579,053
Rest of the world	<u>5,744,674</u>	<u>4,891,661</u>
Total	<u>89,050,443</u>	<u>79,158,767</u>

5. OTHER OPERATING INCOME

	31.3.24 £	31.3.23 £
Bank Interest Income	1,070,323	167,148
Other Income	8,142	204,946
	<u>1,078,465</u>	<u>372,094</u>

6. EMPLOYEES AND DIRECTORS

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

	2024	2023
Production	200	125
Sales and Administration	<u>18</u>	<u>75</u>
	<u>218</u>	<u>200</u>

Their aggregate remuneration comprised of:

	2024	2023
	£	£
Wages and salaries	7,644,092	5,706,586
Social security costs	754,353	626,108
Other pension costs	<u>239,805</u>	<u>215,458</u>
	<u>8,638,250</u>	<u>6,548,152</u>

During the year, director remuneration was £1,291,821 (2023- £ 801,139) including social security and other pension cost.

During the year, retirement benefits accrued to none of the directors of Marksans Pharma U.K Limited in respect of defined benefit and contribution schemes (2023: Nil).

7. OPERATING PROFIT

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

	2024	2023
	£	£
Amortisation of tangible assets	406,864	433,578
Amortisation of intangible assets	555,179	552,408
Foreign exchange loss	-	(72,655)
Provision for bad Debts	56,152	40,401
Bad debts	-	339,986
Impairment of Intangibles	<u>92,492</u>	<u>109,511</u>

8. AUDITORS' REMUNERATION

Fees payable to the company's auditors

	2024	2023
	£	£
For audit services		
Audit of the financial statements of the group and company	5,400	5,400
Audit of the company's subsidiaries	22,600	22,600
For other services	<u>3,600</u>	<u>3,600</u>

Marksans pharma U.K. Limited

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2024

9. **TAXATION**

	2024 £	2023 £
Current tax:		
UK corporation tax on profit	5,609,097	4,107,578
(Excess)/Short provision of prior year	<u>(62,779)</u>	<u>70,380</u>
UK Corporation tax on profits for the current period	<u>5,546,318</u>	<u>4,177,958</u>
Deferred tax:		
Originating and reversal timing differences	<u>236,784</u>	<u>8,790</u>
Total tax expense	5,783,102	4,186,748
The charges for the year can be reconciled to the profit and loss account as follows:		
	2024 £	2023 £
Profit before Taxation on continued operations	22,219,449	21,360,546
Rate of corporation tax of 25% (2023-19%)	5,554,862	4,058,504
Tax effect of expenses that are not deductible in determining taxable profit	79,744	52,812
(Excess)/Short provision of previous years	<u>(62,831)</u>	<u>70,380</u>
Amortisation on assets not qualifying for tax allowances	71,464	54,312
R & D claims credit	<u>(119,850)</u>	<u>(65,285)</u>
Difference of Capital allowances and depreciation	<u>259,713</u>	<u>16,025</u>
	228,240	<u>128,244</u>
Tax Expense for the year	<u>5,783,102</u>	<u>4,186,748</u>

10. **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.

11. **DIVIDENDS**

	31.3.24 £	31.3.23 £
Ordinary share capital £1 each	<u>2,500,000</u>	<u>2,500,000</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2024

12. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	CWIP £	Product License £	Totals £
COST				
At 1 April 2023	5,717,140	310,760	5,944,773	11,972,673
Additions	-	238,945	-	238,945
Disposals	-	-	(5,000)	(5,000)
Reclassification/transfer	-	(114,304)	114,304	-
At 31 March 2024	5,717,140	435,401	6,054,077	12,206,618
AMORTISATION				
At 1 April 2023	4,321,252	52,171	3,528,778	7,902,201
Amortisation for year	285,857	-	269,322	555,179
Eliminated on disposal	-	-	(1,252)	(1,252)
Impairments	-	-	92,492	92,492
At 31 March 2024	4,607,109	52,171	3,889,340	8,548,620
NET BOOK VALUE				
At 31 March 2024	1,110,031	383,230	2,164,737	3,657,998
At 31 March 2023	1,395,888	258,589	2,415,995	4,070,472

The Company does not own any intangible fixed assets.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2024

13. TANGIBLE FIXED ASSETS

Group

	Freehold property £	CWIP £	Plant and machinery £	Fixtures and fittings £	Totals £
COST					
At 1 April 2023	2,391,319	329,351	5,195,036	398,869	8,314,575
Additions	1,019,650	435,741	208,882	-	1,664,273
Disposals	-	-	(99,831)	-	(99,831)
Reclassification/transfer	-	(253,986)	253,986	-	-
At 31 March 2024	<u>3,410,969</u>	<u>511,106</u>	<u>5,558,073</u>	<u>398,869</u>	<u>9,879,017</u>
DEPRECIATION					
At 1 April 2023	600,816	-	3,785,711	308,647	4,695,174
Charge for year	91,531	-	277,304	38,029	406,864
Eliminated on disposal	-	-	(99,732)	-	(99,732)
At 31 March 2024	<u>692,347</u>	<u>-</u>	<u>3,963,283</u>	<u>346,676</u>	<u>5,002,306</u>
NET BOOK VALUE					
At 31 March 2024	<u>2,718,622</u>	<u>511,106</u>	<u>1,594,790</u>	<u>52,193</u>	<u>4,876,711</u>
At 31 March 2023	<u>1,790,503</u>	<u>329,351</u>	<u>1,409,325</u>	<u>90,222</u>	<u>3,619,401</u>

The Company does not own any tangible fixed assets.

14. FIXED ASSET INVESTMENTS

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Investments in subsidiaries	-	-	20,326,514	20,326,514

Details of the company's subsidiaries at 31 March 2024 are as follows:

Name of undertaking	Country of incorporation of residency	Nature of business	Class of shareholding	% Held		Profit	Capital and Reserves
				Direct	Indirect		
Marksans Holdings Limited	England and Wales	Holding Company	Ordinary	100	-	1,250,000	1,490,874
Bell, Sons & Co (Druggists) Limited	England and Wales	Pharmaceuticals	Ordinary	-	100	5,510,660	25,982,340
Relonchem Limited	England and Wales	Pharmaceuticals	Ordinary	100	-	11,484,797	49,894,749

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2024

15. STOCKS

	Notes	Group		Company	
		2024	2023	2024	2023
		£	£	£	£
Raw materials and consumables		4,037,493	3,003,133	-	-
Finished goods and goods for resale		<u>13,540,624</u>	<u>11,387,156</u>	-	-
		<u>17,578,117</u>	<u>14,390,289</u>	-	-

During the year £927,329 (2023: £602,142) was recognized as an expense in Profit and Loss account in respect of the write down of inventory to net realizable value.

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.24	31.3.23	31.3.24	31.3.23
	£	£	£	£
Trade debtors	16,140,950	15,990,079	-	-
Provision for doubtful debts	(92,948)	(40,401)	-	-
Amounts owed by group undertakings	8,673,352	7,935,183	-	-
Other debtors	40,000	40,000	-	-
Dividend payable	-	-	2,500,000	2,500,000
Tax refund receivable	467,133	-	-	-
Prepayments and accrued income	<u>782,296</u>	<u>798,941</u>	-	-
	<u>26,010,783</u>	<u>24,723,802</u>	<u>2,500,000</u>	<u>2,500,000</u>

17. CURRENT ASSET INVESTMENTS

	Group	
	31.3.24	31.3.23
	£	£
Shares in group undertakings	-	<u>4,000,000</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.24	31.3.23	31.3.24	31.3.23
	£	£	£	£
Trade creditors	2,973,374	3,670,952	-	-
Dividend payable	2,500,000	2,500,000	2,500,000	2,500,000
Amounts owed to group undertakings	-	-	5,420,612	5,399,325
Corporation tax Payable	-	1,834,846	-	-
Social security and other taxes	1,288,147	819,221	-	-
VAT payable	1,208,323	1,718,506	-	-
Other creditors	72,610	32,782	-	-
Accruals and deferred income	<u>3,289,203</u>	<u>3,292,912</u>	-	<u>7,400</u>
	<u>11,331,657</u>	<u>13,869,219</u>	<u>7,920,612</u>	<u>7,906,725</u>

19. PROVISIONS FOR LIABILITIES

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Deferred tax liabilities	<u>236,784</u>	<u>289,690</u>	<u>-</u>	<u>-</u>

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.24	31.3.23
			£	£
8,596,941	Ordinary Share Capital	£ 1	<u>8,596,941</u>	<u>8,596,941</u>

21. CAPITAL COMMITMENTS

	31.3.24	31.3.23
	£	£
Contracted but not provided for in the financial statements	<u>2,261,999</u>	<u>494,279</u>

22. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

23. 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.

24. RETIREMENT BENEFIT SCHEMES

	2024 £	2023 £
Defined contribution schemes		
Charge to profit and loss in respect of defined contribution schemes	<u>239,805</u>	<u>215,458</u>

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.

25. OPERATING LEASES COMMITMENTS

Leases

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

At 31 March 2024, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Within one year	304,424	348,455	-	-
Between two and five years	1,488,510	1,552,882	-	-
After five years	<u>144,304</u>	<u>144,303</u>	-	-

26. 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.

	2024 £	2023 £
Group		
Accelerated capital allowances	<u>526,474</u>	<u>289,690</u>

There were deferred tax movements amounting £ 236,784 in the year.

The company has no deferred tax assets or liabilities.

27. PREVIOUS YEAR FIGURES

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

Marksans pharma U.K. Limited

Consolidated Trading and Profit and Loss Account
for the Year Ended 31 March 2024

	31.3.24		31.3.23	
	£	£	£	£
Sales		89,050,443		79,158,767
Cost of sales				
Purchases	46,786,787		40,382,321	
Wages	5,025,472		3,933,389	
Social security	428,704		390,046	
Pension	131,691		114,607	
Pharmaceuticals license fees	287,293		215,269	
Sundry expenses	37,653		-	
Laboratory testing	522,577		431,893	
Storage	889,799		725,441	
Direct Manufacturing costs	1,335,031		800,684	
Carriage Inwards and import duty	2,306,685		1,934,257	
Power, light and heat	421,522		336,834	
Property repairs and maintenance	444,248		466,498	
Product development	204,712		155,734	
Regulatory & Vigilance Fees	991,242		921,130	
Discount Allowed	73,484		55,205	
Temporary recruitment	59,776		133,007	
Sales rebate	300,502		270,105	
Amortisation of intangible fixed assets				
Patents and licences	2,259		3,823	
Depreciation of tangible fixed assets				
Plant and machinery	351,641		342,339	
		<u>60,601,078</u>		<u>51,612,612</u>
GROSS PROFIT		28,449,365		27,546,155
Other income				
Interest Income	1,070,323		167,148	
Other Income	8,142		204,946	
		<u>1,078,465</u>		<u>372,094</u>
		29,527,830		27,918,279
Expenditure				
Wages	301,766		296,252	
Social security	53,747		34,347	
Pensions	15,516		13,219	
Vehicles Leasing	5,175		4,999	
Salesman expenses	22,792		26,750	
Carriage inwards and import duty	1,160,198		1,104,448	
Carried forward	1,559,194	29,987,830	1,453,051	27,918,249

This page does not form part of the statutory financial statements

Marksans pharma U.K. Limited

Consolidated Trading and Profit and Loss Account
for the Year Ended 31 March 2024

	31.3.24		31.3.23	
	£	£	£	£
Brought forward	1,559,194	29,987,830	1,453,051	27,918,249
Advertising	20,995		5,250	
Rent	112,706		100,716	
Insurances (not premises)	309,072		156,213	
Wages	1,500,764		1,248,676	
Social security	271,902		201,714	
Pensions	71,623		87,633	
Telecommunications	55,687		53,596	
Printing & Stationery	67,490		60,877	
Post and Courier	243		1,988	
Travelling	108,409		68,403	
Leasing Motor expenses	9,512		11,658	
Motor running expenses	4,142		3,662	
Property repairs and maintenance	144,231		99,211	
Staff recruitment costs	59,148		60,318	
Waste Disposal Expenses	12,733		23,754	
Staff training	34,150		24,080	
Premises insurance	228,499		191,324	
Staff pension remuneration	20,965		-	
Sundry expenses	40,769		272,238	
Conference Cost	11,000		10,375	
Bank charges	13,687		62,432	
Professional subscriptions	5,586		4,051	
Rates	104,674		83,958	
Accountancy fee	12,001		14,820	
GMC Inspection expenses	3,977		-	
Directors' remuneration	1,291,821		696,726	
Interest on Late fees	155,711		-	
Legal and Professional fees	80,092		83,174	
Auditors' remuneration	19,200		28,000	
Profit or loss on foreign exchange	-		(72,655)	
Amortisation of intangible fixed assets	551,669		548,585	
Depreciation of tangible fixed assets	55,223		91,239	
Impairment losses for intangible fixed assets	92,492		254,107	
Computer software	24,575		14,988	
Entertaining	59,369		50,416	
Provision for Bad and doubtful debts	56,152		40,401	
Consultancy fees	50,000		50,000	
Employee Expenses	3,882		8,561	
Canteen expenses	2,343		2,455	
Bad debts	-		339,986	
Product registrations and trademark	88,602		73,792	
		<u>7,314,290</u>		<u>6,536,737</u>
		22,213,540		21,381,512

This page does not form part of the statutory financial statements

Marksans pharma U.K. Limited
Consolidated Trading and
Profit and Loss Account for
the Year Ended 31 March
2024

	31.3.24	31.3.23
	£	£
Brought forward	22,213,540	21,381,542
Gain/loss on disposal of assets		
Gain/loss on disposal of assets	<u>5,909</u>	<u>(20,996)</u>
NET PROFIT	<u>22,219,449</u>	<u>21,360,546</u>

Marksans pharma U.K. Limited This page does not form part of the statutory financial statements

Marksans pharma U.K. Limited

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 March 2024

For

Relonchem Limited .

Registered No. 04773758 (England and Wales)

Relonchem Limited

Contents of the Financial Statements
for the Year Ended 31 March 2024

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Relonchem Limited

Company Information
for the Year Ended 31 March 2024

DIRECTORS:

Mr. M Saldanha
Mrs. S Saldanha
Mr.J Sharma
Mr. Sathish Kumar
Mr S R Buddharaju
Mr John Stephen Molyneux (Appointed 9 May 2024)
Mr C Hunter (Resigned on 10 May 2024)

SECRETARY:

Mrs G Jacks

REGISTERED OFFICE:

Cheshire House,
Gorsey Lane,
Widnes, Cheshire,
England,
WA80RP

REGISTERED NUMBER:

04773758 (England and Wales)

AUDITORS:

PBG Associates Limited
Chartered Accountants and Statutory Auditors
65 Delamere Road
Hayes, Middlesex
UB4 0NN

BANKERS:

Barclays Bank PLC

The directors present the strategic report and financial statement for the year ended 31 March 2024.

FAIR REVIEW OF THE BUSINESS

During the period sales increased from £41,424,228 to £46,515,049 and company's profit on ordinary activities before taxation was £15,190,377 (2023: £16,943,526). Turnover has increased year on year by 12% due to a variety of reasons including an increase in customer demand, changes in product mix and selling price increases. The utilisation of the manufacturing capability of the parent company allows the company to take full advantage of commercial opportunities as and when they arise. Profit on ordinary activities before taxation was 10% lower than the previous year due to changes in product mix and cost increases in materials and other overheads.

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

Principal risk and uncertainties arise from a competitive market.

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

SECTION 172(1) STATEMENT

The Directors have acted in a way that they considered, in good faith, would be most likely to promote the success of Company for the benefits of its members as a whole, and in doing so had regard (amongst other matters) to the matters listed in section 172(1)(a) to (f) when performing their duties and comment as follows:

- a. the Directors are satisfied that the current business activity is in the long-term interest of the Company and its Shareholder;
- b. the Directors considers that the employees are one of the key stakeholders and continue to focus on training and supporting of the employees in the understanding that a well-informed and trained workforce is essential for the Company's ongoing success;
- c. the Directors have adequately fostered the business relationship with the suppliers, customers and others;
- d. the Directors are satisfied and have properly responded to the needs of the community and concerns regarding the environment, due to the operation of the company;
- e. the Company's business is to continue to becoming holding company whose subsidiaries are into development, registration and distribution of generic prescription Pharmaceuticals, manufacture and sale of Pharmaceuticals in the UK. The Directors are satisfied that the Company have maintained a reputation for high standards of business conduct, including its dealing with its customers, employees and the regulators, and
- f. The Company has adequately and fairly kept its shareholders fully informed and provided quarterly financial statements and progress of the Company's business.

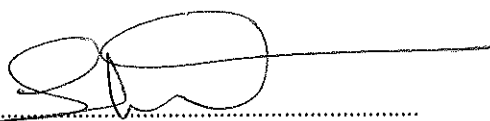
Energy consumption and Greenhouse gas emissions. During the year, the Group consumed 1,331,046 kWh of electricity (a 24% increase on previous year) and 395,402 kWh of gas (a 17% decrease on previous year). There were no other material emissions as a result of the company's activities. Our gross greenhouse gas (GHG) emissions for the year ended 31 March 2024 were 289 tonnes of CO₂. We have calculated our Carbon footprint using data from the energy supplier's renewable ratio percentage, as well as the recommended government conversion factors to create a bespoke figure based on Group consumption.

Energy saving initiatives have been progressed in 2024 with 379 self-consumption photovoltaic units (solar panels) across 979m² of the roof space giving 204 kWh. This is delivering a further electricity saving of 27%. All new gas and electricity contracts have also been signed on green basis, meaning all utility supplies are from renewable sources.

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, before dividend amounting to £11,484,797 (2023: £13,692,835 Profit)

ON BEHALF OF THE BOARD:



Mr. Sathish Kumar - Director

Date: 21/05/2024

Relonchem Limited

Report of the Directors for the Year Ended 31 March 2024

The directors present their annual report and financial statement for the year ended 31 March 2024.

PRINCIPAL ACTIVITIES

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

DIVIDENDS

Dividend declared during the year amounting £ 1.25 million for the year ended 2024 (2023- £1.25mn).

DIRECTORS

The directors who hold office during the year and up to the date of signature of financial statement were as follows:

Mr. M Saldanha
Mr. J Sharma
Mr. S Jayanna
Mrs. S Saldanha
Mr Colin Hunter (Resigned on 10 May 2024)
Mr. Buddharaju, Seetharama Raju
Mr John Stephen Molyneux (Appointed on 9 May 2024)

RESULTS AND DIVIDENDS

The results for the year are set out on page 9.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (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 the 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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.

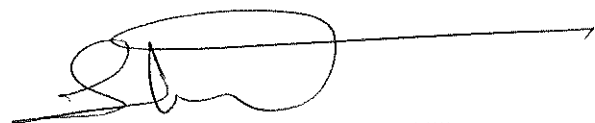
Relonchem Limited

Report of the Directors
for the Year Ended 31 March 2024

AUDITORS

The auditors, PBG Associates Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
Mr. Sathish Kumar - Director

Date: 21/05/2024

Report of the Independent Auditors to the Members of
Relonchem Limited

Opinion

We have audited the financial statements of Relonchem Limited (the 'company') for the year ended 31 March 2024, 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 2024 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions 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 four, 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with those charged with governance of the company.

Our approach was as follows:

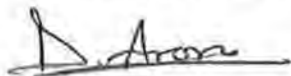
- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, UK taxation legislation, and the Medicines and Healthcare products Regulatory Agency, laws & Regulatory related to product safety, the European Medicine Agency, Anti bribery and competition law and other UK Tax legislation.
- The Company's principal activity was that of development, registration and distribution of generic prescription pharmaceuticals. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of specialists where appropriate.
- Enquiries with the management concerning any actual or potential litigation or claims; inspection of relevant legal correspondence if any; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud

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.

Report of the Independent Auditors to the Members of
Relonchem Limited

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, Middlesex
UB4 0NN

Date: 21/5/24

Relonchem Limited

Income Statement
for the Year Ended 31 March 2024

	Notes	31.3.24 £	31.3.23 £
TURNOVER	3	46,515,049	41,424,228
Cost of sales		<u>28,698,975</u>	<u>21,942,703</u>
GROSS PROFIT		17,816,074	19,481,525
Administrative expenses		<u>3,505,536</u>	<u>2,757,082</u>
		14,310,538	16,724,443
Other operating income	4	<u>879,839</u>	<u>219,083</u>
OPERATING PROFIT and PROFIT BEFORE TAXATION		15,190,377	16,943,526
Tax on profit	8	<u>3,705,580</u>	<u>3,250,691</u>
PROFIT FOR THE FINANCIAL YEAR		<u>11,484,797</u>	<u>13,692,835</u>

Relonchem Limited

Other Comprehensive Income
for the Year Ended 31 March 2024

	Notes	31.3.24 £	31.3.23 £
PROFIT FOR THE YEAR		11,484,797	13,692,835
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		11,484,797	13,692,835

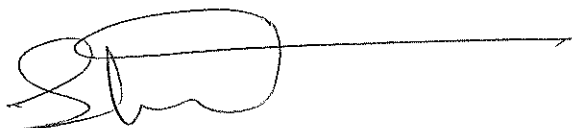
Relonchem Limited (Registered number: 04773758)

Balance Sheet
31 March 2024

	Notes	31.3.24 £	31.3.23 £
FIXED ASSETS			
Intangible assets	11	2,544,009	2,668,367
Tangible assets	12	<u>52,193</u>	<u>90,222</u>
		2,596,202	2,758,589
CURRENT ASSETS			
Stocks	13	5,851,213	5,886,456
Debtors	14	25,482,565	23,518,062
Investments	15	-	4,000,000
Cash at bank and in hand		<u>23,532,315</u>	<u>12,783,332</u>
		54,866,093	46,187,850
CREDITORS			
Amounts falling due within one year	16	<u>7,567,546</u>	<u>9,286,487</u>
NET CURRENT ASSETS		<u>47,298,547</u>	<u>36,901,363</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>49,894,749</u>	<u>39,659,952</u>
CAPITAL AND RESERVES			
Called up share capital	17	2,300	2,300
Share premium	18	6,909,121	6,909,121
Retained earnings	18	<u>42,983,328</u>	<u>32,748,531</u>
SHAREHOLDERS' FUNDS		<u>49,894,749</u>	<u>39,659,952</u>

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

21/05/2024



.....
Mr. Sathish Kumar - Director

Relonchem Limited

Statement of Changes in Equity
for the Year Ended 31 March 2024

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 April 2022	2,300	20,305,696	6,909,121	27,217,117
Changes in equity				
Dividends	-	(1,250,000)	-	(1,250,000)
Total comprehensive income	-	13,692,835	-	13,692,835
Balance at 31 March 2023	<u>2,300</u>	<u>32,748,531</u>	<u>6,909,121</u>	<u>39,659,952</u>
Changes in equity				
Dividends	-	(1,250,000)	-	(1,250,000)
Total comprehensive income	-	11,484,797	-	11,484,797
Balance at 31 March 2024	<u>2,300</u>	<u>42,983,328</u>	<u>6,909,121</u>	<u>49,894,749</u>

1. STATUTORY INFORMATION

Relonchem Limited is a company limited by shares incorporated in England and Wales. The register office is Cheshire House, Gorsey Lane, Widnes, Cheshire, England WA8 0RP.

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.

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.

Related party exemption

The company has taken the advantage of exemption, under the terms of Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

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 fair value of the consideration received or receivable and represents the amount receivable by company in respect of goods supplied during the year, net of returns, discounts and rebates allowed by the Company and value added taxes 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 to 20 years Straight Line Method

2. **ACCOUNTING POLICIES – continued**

Intangible work in progress

Capital work in progress represents costs incurred for which the marketing authorisation is yet to be obtained. Once the marketing authorisation is obtained, the accumulated cost is transferred to intangible assets. In circumstances where marketing authorisations are not granted or the applications are withdrawn, the accumulated costs are charged to the profit and loss account.

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 - 20% Straight Line Method

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.

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 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.

2. ACCOUNTING POLICIES - continued

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.

Financial instruments

The company 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.

2. **ACCOUNTING POLICIES - continued**

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.

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 a contract that evidences a residual interest in the asset of the company after deducting all of its liabilities.

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.

2. **ACCOUNTING POLICIES - continued**

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.

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 the 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. These amounts are recognised in the statement of changes in equity.

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.

Retirement benefits

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

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.

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 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.

2. **ACCOUNTING POLICIES - continued**

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.

Current asset Investment

Current asset investment includes short-term deposits held with banks with maturity more than three months up to twelve months.

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 12 for the carrying amount of the intangible assets and note 1 on Accounting Policies for the useful economic lives for each class of assets.

3. **TURNOVER**

An analysis of the company's turnover is as follows:

	2024 £	2023 £
Turnover		
Sale of goods	<u>46,515,049</u>	<u>41,424,228</u>

The analysis of turnover by geographical markets:

	31.3.24 £	31.3.23 £
United Kingdom	46,286,717	41,218,747
Europe	128,969	125,644
Rest of the world	<u>99,363</u>	<u>79,837</u>
Total	<u>46,515,049</u>	<u>41,424,228</u>

Relonchem Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2024

4. **OTHER OPERATING INCOME**

	31.3.24	31.3.23
	£	£
Provision written back	3,605	-
Bank Interest	876,234	103,917
Other income	-	115,166
	<u>879,839</u>	<u>219,083</u>

5. **EMPLOYEES AND DIRECTORS**

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

	2024	2023
	Number	Number
	<u>14</u>	<u>13</u>
Their aggregate remuneration comprised of;		
Wages and salaries	1,845,858	1,070,319
Social security costs	237,591	161,698
Other pension costs	<u>71,633</u>	<u>71,597</u>
	<u>2,155,082</u>	<u>1,303,614</u>

Director's Remuneration

	2024	2023
	£	£
Remuneration for qualifying services (including pension costs)	<u>1,291,821*</u>	<u>696,726</u>

*Directors remuneration amounting to £ 279,367 (2023: £307,007) is recharged to Bell, Sons Co. (Druggists) Limited.

6. **OPERATING PROFIT**

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

	2024	2023
	£	£
Operating lease rents	33,319	26,288
Depreciation of owned tangible fixed assets	38,029	76,537
Amortisation of Intangible assets	265,812	262,728
Impairment of intangible assets	-	73,233
Foreign exchange losses	-	(74,111)
Provision for bad debts	(3,605)	15,504
Bad debts	-	331,059
Cost of stock recognised as expenses	<u>28,698,975</u>	<u>21,942,703</u>

Relonchem Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2024

7. AUDITORS' REMUNERATION

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

	2024	2023
	£	£
For audit services		
Audit of the company's financial statements	9,000	9,000
For other services	<u>1,200</u>	<u>1,200</u>

8. TAXATION

	2024	2023
	£	£
Current tax		
UK corporation tax on profit	3,741,194	3,196,581
(Excess)/Short provision of prior year	<u>(35,614)</u>	<u>54,110</u>
UK corporation tax on profits for the current period	<u>3,705,580</u>	<u>3,250,691</u>

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

	2024	2023
	£	£
Profit before Taxation on continued operations	15,190,377	16,943,526
Profit on ordinary activities before taxation multiplied by standard Rate of corporation tax of 25% (2023-19%)	3,797,594	3,219,270
Tax effect of expenses that are not deductible in determining taxable profit	14,844	9,578
Research & Development Relief	(67,500)	(36,855)
Group relief	(3,414)	(1,592)
(Excess)/Short provision of prior years	(35,614)	54,110
Capital allowances for period in excess of depreciation	<u>(330)</u>	<u>6,180</u>
	<u>92,014</u>	<u>31,421</u>
Tax expense for the year	<u>3,705,580</u>	<u>3,250,691</u>

9. DIVIDENDS

	31.3.24	31.3.23
	£	£
Ordinary share capital shares of £1 each	<u>1,250,000</u>	<u>1,250,000</u>

Relonchem LimitedNotes to the Financial Statements - continued
for the Year Ended 31 March 2024**10. OPERATING LEASES COMMITMENTS**

At 31 March 2024, the Company had annual commitments under non-cancellable operating leases as follows:

	2024 £	2023 £
Expiry Date:		
Within one year	304,424	296,516
Between two and five year	1488,510	1,474,670
After five year	144,304	144,304

11. INTANGIBLE FIXED ASSETS

	Capital work in progress £	Product License £	Totals £
COST			
At 1 April 2023	310,760	5,875,891	6,186,651
Additions	238,945	-	238,945
Disposals	-	(5,000)	(5,000)
Reclassification/transfer	(114,304)	114,304	-
At 31 March 2024	<u>435,401</u>	<u>5,985,195</u>	<u>6,420,596</u>
AMORTISATION			
At 1 April 2023	52,171	3,466,113	3,518,284
Amortisation for year	-	267,063	267,063
Eliminated on disposal	-	(1,252)	(1,252)
Impairments	-	92,492	92,492
At 31 March 2024	<u>52,171</u>	<u>3,824,416</u>	<u>3,896,087</u>
NET BOOK VALUE			
At 31 March 2024	<u>383,230</u>	<u>2,160,779</u>	<u>2,544,009</u>
At 31 March 2023	<u>258,589</u>	<u>2,409,778</u>	<u>2,668,367</u>

Relonchem Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2024

12. **TANGIBLE FIXED ASSETS**

	Fixtures and fittings £
COST	
At 1 April 2023 and 31 March 2024	<u>398,869</u>
DEPRECIATION	
At 1 April 2023	308,647
Charge for year	<u>38,029</u>
At 31 March 2024	<u>346,676</u>
NET BOOK VALUE	
At 31 March 2024	<u>52,193</u>
At 31 March 2023	<u>90,222</u>

13. **STOCKS**

	2024 £	2023 £
Finished goods and goods for resale	<u>5,851,213</u>	<u>5,886,456</u>

During the year £156,257 (2023: £163,844) was recognized as an expense in Profit and Loss account in respect of the write down of inventory to net realizable value.

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

	31.3.24 £	31.3.23 £
Trade debtors	8,075,200	8,807,926
Provision for bad debts	(12,899)	(16,504)
Corporation tax refund receivable	335,087	-
Amounts owed by group undertakings	16,848,910	14,427,656
Other debtors	40,000	40,000
Prepayments and accrued income	<u>196,267</u>	<u>258,984</u>
	<u>25,482,565</u>	<u>23,518,062</u>

15. **CURRENT ASSET INVESTMENTS**

	31.3.24 £	31.3.23 £
Short-term deposit	<u>-</u>	<u>4,000,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2024

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.24	31.3.23
	£	£
Trade creditors	916,047	1,146,713
Dividend payable	1,250,000	1,250,000
Amounts owed to group undertakings	2,481,409	1,575,008
Corporation tax payable	-	1,597,590
Social security and other taxes	49,019	45,844
VAT	1,208,323	1,718,506
Other creditors	5,661	4,773
Accruals and deferred income	1,657,087	1,948,053
	<u>7,567,546</u>	<u>9,286,487</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			31.3.24	31.3.23
Number:	Class:	Nominal value:	£	£
2,300	Ordinary share capital	£1	<u>2,300</u>	<u>2,300</u>

18. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 April 2023	32,748,531	6,909,121	39,657,652
Profit for the year	11,484,797	-	11,484,797
Dividends	<u>(1,250,000)</u>	<u>-</u>	<u>(1,250,000)</u>
At 31 March 2024	<u>42,983,328</u>	<u>6,909,121</u>	<u>49,892,449</u>

19. 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 £ 71,633 (2023-£ 71,597)

20. CAPITAL COMMITMENTS

	31.3.24	31.3.23
	£	£
Contracted but not provided for in the financial statements	<u>1,847,250</u>	<u>29,875</u>

21. 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 Marksans 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.

22. PREVIOUS YEAR FIGURES

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

Relonchem Limited

Trading and Profit and Loss Account
for the Year Ended 31 March 2024

	31.3.24		31.3.23	
	£	£	£	£
Sales		46,515,049		41,424,228
Cost of sales				
Purchases	25,380,802		19,161,772	
Pharmaceuticals license fees	287,293		215,269	
Laboratory testing	522,577		431,893	
Storage	889,799		725,441	
Carriage Inwards and import duty	627,262		524,400	
Regulatory & Vigilance Fees	991,242		883,928	
		28,698,975		21,942,703
GROSS PROFIT		17,816,074		19,481,525
Other income				
Provision written back	3,605		-	
Bank Interest	876,234		103,917	
Other income	-		115,166	
		879,839		219,083
		18,695,913		19,700,608
Expenditure				
Rent	33,319		26,288	
Insurance	275,770		129,495	
Wages	951,164		764,416	
Social security	237,591		57,285	
Pensions	71,632		71,597	
Telephone	10,307		9,673	
Printing & Stationery	4,573		6,249	
Post and Courier	243		1,988	
Travelling	108,409		68,403	
Interest on late payment	135,232		-	
Motor running expenses	3,292		2,823	
Repairs and maintenance	10,188		-	
Recruitment expense	18,060		9,760	
Waste Disposal Expenses	12,733		23,754	
Management recharge- Directors remuneration	(279,367)		(307,007)	
Sundry expenses	8,316		28,859	
Conference cost	11,000		10,375	
Bank charges	10,285		16,871	
Subscriptions	2,117		626	
Accountancy fees	12,001		14,820	
GMP Inspection Fees	3,977		-	
Directors' remuneration	1,291,821		801,139	
Legal and professional fees	32,396		28,440	
Auditors remuneration	10,200		9,000	
Carried forward	2,975,259	18,695,913	1,774,854	19,700,608

This page does not form part of the statutory financial statements

Relonchem Limited

Trading and Profit and Loss Account
for the Year Ended 31 March 2024

	31.3.24		31.3.23	
	£	£	£	£
Brought forward	2,975,259	18,695,913	1,774,854	19,700,608
Foreign exchange losses	-		(74,111)	
Amortisation of intangible fixed assets	265,812		262,728	
Depreciation of tangible fixed assets	38,029		76,537	
Impairment losses for intangible fixed assets	92,492		254,107	
Computer software expense	24,575		14,988	
Entertainment & advertising	59,369		50,416	
Bad debts	-		347,563	
Consultancy fees	50,000		50,000	
		3,505,536		2,757,082
NET PROFIT		<u>15,190,377</u>		<u>16,943,526</u>

This page does not form part of the statutory financial statements