

Directors' Report and  
Financial Statements for the Year Ended 31 March 2020  
for  
Glenmark Pharmaceuticals Europe R&D Ltd

### **Opinion**

We have audited the financial statements of Glenmark Pharmaceuticals Europe R&D Ltd (the 'company') for the year ended 31 March 2020 which comprise the Income Statement, 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 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

### **Other information**

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

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

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

### **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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

**Responsibilities of directors**

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

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

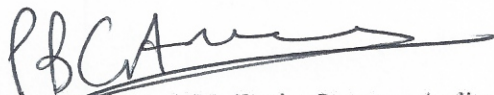
**Auditors' responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://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)  
PBG Associates Ltd  
Chartered Accountants and Statutory Auditors  
65 Delamere Road  
Hayes, Middx  
UB4 0NN

Date: 23 June 2020

Income Statement  
for the Year Ended 31 March 2020

	Notes	2020 £	2019 £
<b>TURNOVER</b>	2	4,010,973	4,074,457
Administrative expenses		<u>3,765,904</u>	<u>3,845,204</u>
<b>OPERATING PROFIT and PROFIT BEFORE TAXATION</b>		245,069	229,253
Tax on profit	5	<u>-</u>	<u>-</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>245,069</u></u>	<u><u>229,253</u></u>

Statement of Financial Position  
31 March 2020

	Notes	2020 £	2019 £
<b>CURRENT ASSETS</b>			
Debtors	8	942,336	2,097,308
Cash in hand		<u>3,141,190</u>	<u>1,503,203</u>
		4,083,526	3,600,511
<b>CREDITORS</b>			
Amounts falling due within one year	9	<u>720,442</u>	<u>482,496</u>
<b>NET CURRENT ASSETS</b>		<u>3,363,084</u>	<u>3,118,015</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>3,363,084</u>	<u>3,118,015</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	800,708	800,708
Retained earnings	11	<u>2,562,376</u>	<u>2,317,307</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>3,363,084</u>	<u>3,118,015</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 on 23 JUNE 2020 and were signed on its behalf by:



Oliver Henry Bourne - Director

Statement of Changes in Equity  
for the Year Ended 31 March 2020

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 April 2018</b>	800,708	2,088,054	2,888,762
<b>Changes in equity</b>			
Total comprehensive income	<u>-</u>	<u>229,253</u>	<u>229,253</u>
<b>Balance at 31 March 2019</b>	<u>800,708</u>	<u>2,317,307</u>	<u>3,118,015</u>
<b>Changes in equity</b>			
Total comprehensive income	<u>-</u>	<u>245,069</u>	<u>245,069</u>
<b>Balance at 31 March 2020</b>	<u><u>800,708</u></u>	<u><u>2,562,376</u></u>	<u><u>3,363,084</u></u>

Notes to the Financial Statements  
for the Year Ended 31 March 2020

1. **ACCOUNTING POLICIES**

**General information and basis of preparation**

Glenmark Pharmaceuticals Europe R & D Limited is a company limited by shares incorporated in England. The address of the registered office and principal place of business is given in the company information on page 1 in this financial statement. The financial statements are presented in UK Sterling which is the functional currency of the company.

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102 section 1A small entities, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

**Cash flow statement exemption**

The company, being a subsidiary undertaking of the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statements in accordance with FRS 102.

**Related party exemption**

The company has taken advantage of the exemption under section 33 of FRS 102 from disclosing transactions with ultimate parent company Glenmark Pharmaceuticals Limited, a company incorporated in India and its wholly owned subsidiaries.

**Turnover**

Turnover from the rendering of services is recognised by reference to the costs incurred plus a uplift for a service charge. This is invoiced by reference to the costs incurred every month.

**Tangible fixed assets**

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and machinery	over 4 years
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**Taxation**

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period.

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments.

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.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used.

Current and deferred tax assets and liabilities are not discounted.

**Foreign currency translation**

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

1. **ACCOUNTING POLICIES - continued**

**Leased assets**

Operating leases payments are recognised as an expense on a straight line basis over the lease term.

**Pensions**

The company makes contributions to personal pension scheme of the employees. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

**Debtors**

Short term debtors are measured at transaction price which is usually the invoice price, less any impairment losses for bad and doubtful debts.

**Creditors**

Short term creditors are measured at transaction price which is usually the invoice price.

**Provisions**

Provisions (i.e. liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

2. **TURNOVER**

The turnover and profit before taxation are attributable to one principal activity of the company. An analysis of the turnover by geographical market is given below:

	2020	2019
	£	£
Services rendered	<u>4,010,973</u>	<u>4,074,457</u>
By geographical		
Europe	939,544	804,078
Rest of the world	3,071,429	3,270,379
	<u>4,010,973</u>	<u>4,074,457</u>

3. **EMPLOYEES AND DIRECTORS**

	2020	2019
	£	£
Wages and salaries	2,051,940	2,110,841
Social security cost	259,789	273,263
Other pension costs	<u>112,826</u>	<u>126,624</u>
	<u>2,424,555</u>	<u>2,510,728</u>

	2020	2019
Average number of employees during the year		
Administration	1	1
Development	<u>12</u>	<u>15</u>
	<u>13</u>	<u>16</u>



Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

4. **OPERATING PROFIT**

	2020	2019
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	-	5,346
Foreign Exchange Loss	<u>17,108</u>	<u>18,886</u>

5. **TAXATION**

	2020	2019
	£	£
<b>Analysis of charge in period</b>		
Current tax:		
UK corporation tax credit on profit of the period	-	-
Tax on loss on ordinary activities	-	-
<b>Factors affecting tax charge for period</b>		
The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:		
	2020	2019
	£	£
Profit on ordinary activities before tax	245,069	229,253
Standard rate of corporation tax in the UK	19%	19%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	46,563	43,559
Effects of:		
Depreciation for period in excess of Capital allowance	-	588
Capital allowances for period in excess of depreciation/	(350)	-
Research and Development expenditure debited to P&L	10,851	12,839
Enhanced Research and Development expenditure credit availed	(57,111)	(67,575)
Research and Development expenditure adjustment	<u>47</u>	<u>10,589</u>
Current Tax Charge	<u>-</u>	<u>-</u>

**Factors that may affect future tax charges**

Taxation losses available to carry forward to future year £ 787,266 (2019: £787,266). Under current tax legislation tax relief on these losses will be given at 19%.

6. **AUDITOR'S REMUNERATION**

	2020	2019
	£	£
Fees payable to the company's auditors for the Audit of Company's Financial statements	13,910	13,750
Audit of Financial statements for Non Audit services	<u>2,500</u>	<u>2,500</u>
	<u>16,410</u>	<u>16,250</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

7. **TANGIBLE FIXED ASSETS**

Plant and  
machinery  
£

**COST**

At 1 April 2019  
and 31 March 2020

204,111

**DEPRECIATION**

At 1 April 2019  
and 31 March 2020

204,111

**NET BOOK VALUE**

At 31 March 2020

-

At 31 March 2019

-

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

	2020	2019
	£	£
Amounts owed by group undertakings	910,237	2,040,695
VAT	24,291	30,620
Prepayments	<u>7,808</u>	<u>25,993</u>
	<u>942,336</u>	<u>2,097,308</u>

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

	2020	2019
	£	£
Trade creditors	39,514	20,398
Amounts owed to group undertakings	287,180	94,504
Social security and other taxes	39,469	70,830
Other creditors	5,435	917
Accrued expenses	<u>348,844</u>	<u>295,847</u>
	<u>720,442</u>	<u>482,496</u>

10. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020	2019
			£	£
800,708	Allotted, called up and fully paid: Ordinary shares	£ 1	<u>800,708</u>	<u>800,708</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2020

11. **RESERVES**

	Retained earnings £
At 1 April 2019	2,317,307
Profit for the year	<u>245,069</u>
At 31 March 2020	<u><u>2,562,376</u></u>

12. **ULTIMATE CONTROLLING PARTY**

The company is a subsidiary of Glenmark Holding S.A., a company incorporated in Switzerland. The Ultimate Parent Company is Glenmark Pharmaceuticals Limited, a company incorporated in India and its wholly owned subsidiaries.

13. **PREVIOUS YEAR FIGURES**

The previous year figures has been regrouped/ reclassified, whenever necessary, to confirm to the current year presentation.

Detailed Profit and Loss Account  
for the Year Ended 31 March 2020

	2020		2019	
	£	£	£	£
<b>Turnover</b>				
Other Income		4,010,973		4,074,457
<b>Expenditure</b>				
Wages	2,051,940		2,110,841	
Rent	222,714		222,715	
Rates and taxes	64,512		49,163	
Insurance	21,307		5,900	
Light and heat	21,600		14,846	
Social security	259,789		273,263	
Pensions	112,826		126,624	
Telephone	28,926		47,619	
Post and stationery	7,537		7,235	
Travelling	140,877		271,914	
Repairs and renewals	27,994		47,837	
Recruitment expenses	-		28,333	
Courier services	1,417		1,366	
Sundry expenses	14,222		30,576	
Subscriptions	31,654		7,937	
Legal fees	238,145		204,886	
Office Retainers	129,647		79,807	
Auditors' remuneration	13,910		13,750	
Auditors' remuneration for non-audit work	2,500		2,500	
Foreign exchange losses	17,108		18,886	
Depreciation of tangible fixed assets	-		5,346	
Service charge	66,827		65,511	
Recharges from Group Companies	271,793		197,635	
Staff welfare	18,016		9,968	
		<u>3,765,261</u>	<u>3,844,458</u>	
		245,712	229,999	
<b>Finance costs</b>				
Bank charges		<u>643</u>	<u>746</u>	
<b>NET PROFIT</b>		<u><u>245,069</u></u>	<u><u>229,253</u></u>	

This page does not form part of the statutory financial statements