

Strategic Report, Report of the Directors and  
Financial Statements for the Year Ended 31 March 2021  
for  
Glenmark Pharmaceuticals Europe Limited

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for the Year Ended 31 March 2021

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Glenmark Pharmaceuticals Europe Limited

Company Information  
for the Year Ended 31 March 2021

**DIRECTORS:** Oliver Henry Bourne  
Achin Gupta

**REGISTERED OFFICE:** Laxmi House  
2-B Draycott Avenue  
Kenton Harrow  
Middlesex  
HA3 0BU

**REGISTERED NUMBER:** 05040260 (England and Wales)

**INDEPENDENT AUDITORS:** PBG Associates Limited  
Chartered Accountants and Statutory Auditors  
65 Delamere Road  
Hayes, Middx  
UB4 0NN

Strategic Report  
for the Year Ended 31 March 2021

The directors present their strategic report for the year ended 31 March 2021.

**REVIEW OF BUSINESS**

In the current challenging business environment, the management has delivered positive result of the year.

The outbreak of Coronavirus (COVID -19) globally is causing significant disturbance and slowdown of economic activity. In many countries, many businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures are taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to many businesses worldwide, resulting in an economic slowdown.

COVID19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lock down of production/other facilities etc. The company has evaluated impact of COVID -19 on its business and based on its review and evaluation of logistics, productions and operations division as of now, there are no significant impact on its financial statements.

Despite difficult market conditions, the company is able to achieve a turnover of £70 million.

The company has made a profit of £593,149 (2020: £294,556) for the year. The directors do not recommend a dividend.

**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 development, registration, sales, distribution and licencing of pharmaceutical products and 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.

**The impact of the company's operations on the community and the environment**

The company, as an affiliate of the Glenmark Group, operates honestly and transparently. We consider the impact on the environment on our day-to-day operation and how this can be minimized. Further disclosure on how we promote a corporate culture based on ethical values and behaviour is included in the "Sustainability" section of Glenmark's website <http://www.glenmarkpharma.com/Responsibility>.

**PRINCIPAL RISKS AND UNCERTAINTIES**

Principal business and financial risks the company faces are as follows:

**Operating risk:**

The company acquires the bulk of its products from manufacturers who are part of the Glenmark group. It holds regular meetings with these companies to ensure minimal risk and disruptions to its supply chain.

**Market risk:**

The company makes considerable efforts to protect its intellectual property rights at all times, for both new and existing product, and to ensure that the company is carries on its business without infringing the rights of others.

Strategic Report  
for the Year Ended 31 March 2021

**Liquidity risk:**

Liquidity risk is managed by maintaining a balance between the funding requirements to support operational and other activities and the bank balances available for these purposes. The company's liquidity risk management includes short-term cash projections and considering the level of liquid assets in relation thereto, and monitoring balance sheet liquidity on a frequent basis.

**Foreign exchange risk:**

A significant portion of the company's trading transactions are carried out in the local currency (GBP). The company does not enter into any hedging instruments. The Group's hedging is centralized at the parent company.

**Credit risk:**

Customers comprise large corporates with low credit risk. There are not considered to be any material risks relating to individual customers or business partners. Trade debtors are also managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

**Interest rate risk:**

The company owes amount to group company on which interest is payable. However, there are not considered to be any material risk regarding interest rate.

**ON BEHALF OF THE BOARD:**

  
.....  
Director

Glenmark Pharmaceuticals Europe Limited (Registered number: 05040260)

Report of the Directors  
for the Year Ended 31 March 2021

The directors present their report with the financial statements of the company for the year ended 31 March 2021.

**PRINCIPAL ACTIVITY**

The principal activities of the company in the year under review were those of the principal activities of the company in the year under review were those of development, registration, sales, distribution and licencing of pharmaceutical products. The Company has a number of products on the market and continues to add new products with the intention of bringing them on the market in due course.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 March 2021.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1st April 2020 to the date of this report.

Mr. Oliver Henry Bourne  
Mr. Achin Gupta

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the director to prepare financial statements for each financial year. Under the 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) along with FRS 102. 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;

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 the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**

  
Oliver Henry Bourne - Director

Report of the Independent Auditors to the Members of  
Glenmark Pharmaceuticals Europe Limited (Registered number: 05040260)

**Opinion**

We have audited the financial statements of Glenmark Pharmaceuticals Europe Limited (the 'company') for the year ended 31 March 2021 which comprise the Profit and Loss Account, Statement of 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 2021 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.

**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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 the most significant are direct laws and regulations, related to continuing approval by MHRA, 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.

-For both direct and other laws and regulations, our procedures involved: making enquiry of the directors of the Company for their awareness of any non-compliance of laws or regulations, inquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees.

-The Company operates in the pharmaceutical industry which is a highly regulated environment. 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.



Report of the Independent Auditors to the Members of  
Glenmark Pharmaceuticals Europe Limited (Registered number: 05040260)

-Enquiries with the management concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; 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.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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/auditors](http://www.frc.org.uk/auditors) responsibilities. 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 Limited PBG Associates Limited  
Chartered Accountants and Statutory Auditors  
65 Delamere Road  
Hayes, Middx  
UB4 0NN

Glenmark Pharmaceuticals Europe Limited (Registered number: 05040260)

Profit and Loss Account  
for the Year Ended 31 March 2021

	Notes	2021 £	2020 £
<b>TURNOVER</b>	2	70,261,235	68,654,276
Cost of sales		<u>54,101,398</u>	<u>49,353,554</u>
<b>GROSS PROFIT</b>		16,159,837	19,300,722
Administrative expenses		<u>14,462,962</u>	<u>18,045,146</u>
		1,696,875	1,255,576
Other operating income	3	<u>21,402</u>	<u>-</u>
<b>OPERATING PROFIT</b>	6	1,718,277	1,255,576
Interest receivable and similar income	8	22,653	49,955
Interest payable and similar expenses	9	<u>(972,025)</u>	<u>(944,433)</u>
<b>PROFIT BEFORE TAXATION</b>		768,905	361,098
Tax on profit	10	<u>175,756</u>	<u>66,542</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>593,149</u>	<u>294,556</u>

The notes on pages 12 to 18 form part of these financial statements

Glenmark Pharmaceuticals Europe Limited (Registered number: 05040260)

Statement of Comprehensive Income  
for the Year Ended 31 March 2021

	Notes	2021 £	2020 £
<b>PROFIT FOR THE YEAR</b>		593,149	294,556
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>593,149</u>	<u>294,556</u>

The notes on pages 12 to 18 form part of these financial statements

Glenmark Pharmaceuticals Europe Limited (Registered number: 05040260)

Balance Sheet  
31 March 2021

	Notes	2021		2020	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	11		5,164,469		6,605,798
Tangible assets	12		202,301		230,672
Investment	13		<u>555,415</u>		<u>555,415</u>
			5,922,185		7,391,885
<b>CURRENT ASSETS</b>					
Stocks	14	10,501,504		10,347,726	
Debtors	15	29,584,125		29,698,362	
Cash in hand and at bank		<u>12,647,262</u>		<u>15,230,693</u>	
		52,732,891		55,276,781	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	16	<u>44,776,427</u>		<u>49,383,166</u>	
<b>NET CURRENT ASSETS</b>			<u>7,956,464</u>		<u>5,893,615</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>13,878,649</u>		<u>13,285,500</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18	6,285,121		6,285,121	
Retained earnings	19	<u>7,593,528</u>		<u>7,000,379</u>	
<b>SHAREHOLDERS' FUNDS</b>			<u>13,878,649</u>		<u>13,285,500</u>
			<u>13,878,649</u>		<u>13,285,500</u>

  
 Oliver Henry Bourne - Director

The notes on pages 12 to 18 form part of these financial statements

Glenmark Pharmaceuticals Europe Limited (Registered number: 05040260)

Statement of Changes in Equity  
for the Year Ended 31 March 2021

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 April 2019</b>	6,285,121	6,705,823	12,990,944
<b>Changes in equity</b>			
Total comprehensive income	-	294,556	294,556
<b>Balance at 31 March 2020</b>	<u>6,285,121</u>	<u>7,000,379</u>	<u>13,285,500</u>
<b>Changes in equity</b>			
Total comprehensive income	-	593,149	593,149
<b>Balance at 31 March 2021</b>	<u>6,285,121</u>	<u>7,593,528</u>	<u>13,878,649</u>

The notes on pages 12 to 18 form part of these financial statements

Notes to the Financial Statements  
for the Year Ended 31 March 2021

1. **ACCOUNTING POLICIES**

**Basis of preparation**

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards including financial Reporting Standards including Financial Reporting Standard 102- The Financial Reporting Standards Applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the company.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been constantly applied to all years presented unless otherwise stated.

**Going Concern**

At the time of approving of 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.

**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 is wholly owned subsidiary of Glenmark Pharmaceuticals Limited, the consolidated accounts of which are publicly available. Accordingly, the company has taken advantage of the exemption in section 33 of FRS 102 from disclosing transactions with Glenmark Pharmaceuticals limited and its wholly owned subsidiaries.

**Turnover**

Turnover represent the value of goods sold and work carried out in respect of services provided to customers. Turnover is stated net of value added tax and it includes shipping and handling costs, which generally are included in the list price to the customer.

Revenue from sale of goods is recognised when title to the product, ownership and risk have been transferred to the customer, which can be on the date of shipment or the date of receipt by the customer.

Turnover is recorded net of trade promotion and discount, which is recognised as incurred, generally at the time of sale. Accruals for expected promotion and discount pay outs to customer are included as accruals in the Balance Sheet.

Revenue from services is recognised on completion of such services. In case of re Out- license services, revenue is recognised on a milestone basis.

**Tangible fixed assets**

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 25% straight line

Plant and machinery include Computer Equipment, Furniture & fittings and Office Equipment.

**Investments**

Long-term investments are stated at cost. Provision, where necessary, is made to recognise a permanent diminution in the value of the investments.

**Stocks - inventories (finished goods)**

Inventories are valued at the lower of weighted average cost and net realizable value.

**Deferred taxation**

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

Potential taxation arising from the revaluation of fixed assets is not provided for until there is a firm commitment to sell the asset.

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021

1. ACCOUNTING POLICIES - continued

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Leasing and hire purchase commitments**

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the assets have passed to the company, are capitalized in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The Interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rental paid under operating leases are charged to income on a straight line basis over the lease term.

**Pensions**

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

**Intangible fixed assets**

**Product Registration Expenditure**

Product registration expenditure relating to registration of new products which will be launched in the market are recognised as an intangible asset to the extent that such asset will generate future economic benefits.

Product registration expenditure is reviewed annually for impairment or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. When product registration expenditure are no longer considered commercially viable then the amortisation charge is increased to bring the net book value to nil.

Product registration costs are amortised over the useful life, not exceeding 10 years, once the product to which the expenditure relate is commercialized.

Assets under Construction reflect registration costs for the products which are not launched at the year end and therefore these assets have not been amortised.

**Software fees**

Software fees is amortised over a period of 5 years.

2. TURNOVER

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

	2021	2020
	£	£
Sales	69,772,784	68,295,311
Fees	<u>488,451</u>	<u>358,965</u>
	70,261,235	68,654,276
An analysis of turnover by geographical market is given below		
UK	39,793,478	33,407,850
Europe	<u>30,467,757</u>	<u>35,246,426</u>
	<u>70,261,235</u>	<u>68,654,276</u>

All the company's activities are from continued operation during the current year and previous year.

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021

<b>3. OTHER OPERATING INCOME</b>		
	2021	2020
	£	£
Government furlough grant related to Covid-19	<u>21,402</u>	<u>-</u>
<b>4. EMPLOYEES AND DIRECTORS</b>		
	2021	2020
	£	£
Wages and salaries	6,785,468	7,863,728
Social security costs	934,857	965,389
Other pension costs	<u>427,122</u>	<u>418,691</u>
	<u>8,147,447</u>	<u>9,247,808</u>
The average monthly number of employees during the year was as follows:		
	2021	2020
	£	£
Management and administrative	63	73
Sales	<u>20</u>	<u>16</u>
	<u>83</u>	<u>89</u>
<b>5. DIRECTORS' EMOLUMENTS</b>		
	2021	2020
	£	£
Directors' remuneration	958,209	988,279
Directors' pension contribution to money purchase schemes	<u>20,060</u>	<u>29,697</u>
	<u>978,269</u>	<u>1,017,976</u>
The number of directors to whom the retirement benefits were accruing:		
Money purchase schemes	2	2
<b>6. OPERATING PROFIT</b>		
The profit/loss before tax is stated after charging:		
	2021	2020
	£	£
Other operating leases	445,426	334,068
Depreciation-owned assets	118,192	124,437
Development costs amortisation	958,712	976,875
Auditors' remuneration	25,000	16,000
Car Lease	25,137	60,370
Foreign exchange differences (Gain)	<u>(258,755)</u>	<u>892,575</u>



Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021

7. **AUDITORS' REMUNERATION**

	2021	2020
	£	£
Fees payable to the company's auditors and their associates for the audit of the company's financial statements of	22,200	13,000
Audit of Financial statements for Non Audit services	<u>2,800</u>	<u>2,800</u>
	<u>25,000</u>	<u>16,000</u>

8. **INTEREST RECEIVABLE AND SIMILAR INCOME**

	2021	2020
	£	£
Interest Income	<u>22,653</u>	<u>49,955</u>

9. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2021	2020
	£	£
Finance cost	<u>972,025</u>	<u>944,433</u>

10. **TAXATION**

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2021	2020
	£	£
Current tax:		
UK corporation tax	174,025	66,542
Excess provision of current year	1,731	-
Total current tax	<u>175,756</u>	<u>66,542</u>
Tax on profit	<u>175,756</u>	<u>66,542</u>
Factors affecting the tax charges		
	2021	2020
	£	£
Profit before tax	<u>768,905</u>	<u>361,098</u>
Profit on ordinary activities		
Multiplied by the standard rate of corporate tax in UK of 19% (2020-19%)	146,092	68,608
Effects of:		
Capital allowances in excess of		
Depreciation	-	(2,066)
Depreciation in excess of capital allowances	27,933	-
Group relief for previous years	-	-
Disallowed expenditure	-	-
Excess tax provision	<u>1,731</u>	<u>-</u>
Current tax charge	<u>175,756</u>	<u>66,542</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021

11. INTANGIBLE FIXED ASSETS

	Product Registration Expenditure £	Computer software £	Total £
<b>COST</b>			
At 1 April 2020	14,038,931	1,013,248	15,052,179
Additions	241,863	-	241,863
Disposals	(297,150)	-	(297,150)
At 31 March 2021	<u>13,983,644</u>	<u>1,013,248</u>	<u>14,996,892</u>
<b>AMORTISATION</b>			
At 1 April 2020	8,192,234	254,146	8,446,380
Amortisation for year	763,982	194,730	958,712
Impairment for the year	427,331	-	427,331
At 31 March 2021	<u>9,383,547</u>	<u>448,876</u>	<u>9,832,423</u>
<b>NET BOOK VALUE</b>			
At 31 March 2021	<u>4,600,097</u>	<u>564,372</u>	<u>5,164,469</u>
At 31 March 2020	<u>5,846,696</u>	<u>759,102</u>	<u>6,605,798</u>

12. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1 April 2020	145,595	582,977	510,678	1,239,250
Additions	-	1,145	88,676	89,821
At 31 March 2021	<u>145,595</u>	<u>584,122</u>	<u>599,354</u>	<u>1,329,071</u>
<b>DEPRECIATION</b>				
At 1 April 2020	91,963	532,085	384,530	1,008,578
Charge for year	24,646	25,116	68,430	118,192
At 31 March 2021	<u>116,609</u>	<u>557,201</u>	<u>452,960</u>	<u>1,126,770</u>
<b>NET BOOK VALUE</b>				
At 31 March 2021	<u>28,986</u>	<u>26,921</u>	<u>146,394</u>	<u>202,301</u>
At 31 March 2020	<u>53,632</u>	<u>50,892</u>	<u>126,148</u>	<u>230,672</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021

13. INVESTMENT

	Total £
Investments in shares of Glenmark Generics SA, Argentina (100% owned subsidiary)	
<b>COST</b>	
At 1 April 2020 and 31 March 2021	<u>555,415</u>
<b>NET BOOK VALUE</b>	
At 31 March 2021	<u>555,415</u>
At 31 March 2020	<u>555,415</u>

14. STOCKS

	2021 £	2020 £
Finished goods	<u>10,501,504</u>	<u>10,347,726</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	8,156,570	7,400,610
Amounts owed by group undertakings	21,069,970	22,095,278
Other debtors	28,420	-
Prepayments	<u>329,165</u>	<u>202,474</u>
	<u>29,584,125</u>	<u>29,698,362</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	3,346,359	3,157,831
Amounts owed to group undertakings	36,182,203	40,247,831
Social security and other taxes	1,166,247	670,698
Other creditors	72,450	55,203
Accrued expenses	<u>4,009,168</u>	<u>5,251,603</u>
	<u>44,776,427</u>	<u>49,383,166</u>

17. LEASING AGREEMENTS

The following operating lease payments are committed to be paid within one year

	Land and Buildings		Other operating leases	
	2021	2020	2021	2020
	£	£	£	£
Expiring:				
within one year	655,042	655,042	6,602	21,926
between one and five years	2,620,168	2,620,168	6,649	13,251
in more than five years	<u>1,255,497</u>	<u>1,910,539</u>	-	-
	<u>4,530,707</u>	<u>5,185,749</u>	<u>13,251</u>	<u>35,177</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021

18. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	2021	2020
Number:	Class:		£	£
6,285,121	Ordinary Shares	£ 1	<u>6,285,121</u>	<u>6,285,121</u>

19. **RESERVES**

	Retained earnings £
At 1 April 2020	7,000,379
Profit for the year	<u>593,149</u>
At 31 March 2021	<u>7,593,528</u>

20. **ULTIMATE PARENT COMPANY**

Glenmark Pharmaceuticals Limited (incorporated in India) is regarded by the directors as being the company's ultimate parent company.

Glenmark Pharmaceuticals Limited (incorporated in India) is regarded by the directors as being the company's ultimate parent company.

The company is a subsidiary of Glenmark Pharmaceuticals Limited, a company incorporated in India, listed on Bombay Stock Exchange and National Stock Exchange of India.

21. **ULTIMATE CONTROLLING PARTY**

The ultimate parent company is quoted on the Bombay Stock Exchange and National Stock Exchange and there is no ultimate controlling party.

22. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2021	2020
	£	£
Opening shareholders' fund	13,285,500	12,990,944
Net addition to shareholders' funds	-	-
Profit for the financial year	<u>593,149</u>	<u>294,556</u>
Closing shareholders' fund	<u>13,878,649</u>	<u>13,285,500</u>

23. **PREVIOUS YEAR FIGURES**

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

Glenmark Pharmaceuticals Europe Limited (Registered number: 05040260)

Trading and Profit and Loss Account  
for the Year Ended 31 March 2021

	2021		2020	
	£	£	£	£
<b>Sales</b>		70,261,235		68,654,276
<b>Cost of sales</b>				
Opening stock	10,347,726		10,389,146	
Purchases	49,367,533		46,965,106	
Other direct costs	4,887,643		2,347,028	
Closing stock	64,602,902		59,701,280	
	(10,501,504)		(10,347,726)	
		54,101,398		49,353,554
<b>GROSS PROFIT</b>		16,159,837		19,300,722
<b>Other income</b>				
Government grant	21,402		-	
Interest Income	22,653		49,955	
		44,055		49,955
		16,203,892		19,350,677
<b>Expenditure</b>				
Rent	445,426		334,068	
Insurance	48,344		55,108	
Light and heat	42,460		36,240	
Rates	130,048		96,841	
Directors' salaries	958,209		988,279	
Directors' pension contributions	20,060		29,697	
Wages	5,838,075		6,875,449	
Social security	934,857		965,389	
Pensions	396,246		388,994	
Service charges	95,827		97,936	
Telephone	80,258		105,443	
Post and stationery	7,046		17,596	
Travelling	58,652		690,685	
Office expenses	46,856		44,461	
Car maintenance	846		-	
Repairs and maintenance	13,227		31,919	
Product Registration Exp	29,860		-	
Regulatory costs	1,387,376		1,595,738	
Recruitment expenses	138,315		160,992	
Courier services	12,238		15,543	
Recharges from Group Company	362,786		626,227	
Sundry expenses	76,931		110,853	
Impairment on intangible asset charged for the year	427,331		-	
Bank Charges	6,377		5,840	
Car lease	25,137		60,370	
Exchange (gains)/ loss	(258,755)		892,575	
Subscriptions	338,115		352,130	
Sales promotion	789,369		1,708,820	
Legal and professional expense	909,541		640,641	
Auditors' remuneration	25,000		16,000	
Amortisation of intangible fixed assets	958,712		976,875	

This page does not form part of the statutory financial statements

Glenmark Pharmaceuticals Europe Limited (Registered number: 05040260)

Trading and Profit and Loss Account  
for the Year Ended 31 March 2021

	2021		2020	
	£	£	£	£
Depreciation of tangible fixed assets	<u>118,192</u>	<u>14,462,962</u>	<u>124,437</u>	<u>18,045,146</u>
		1,740,930		1,305,531
<b>Finance costs</b>				
Finance cost		<u>972,025</u>		<u>944,433</u>
<b>NET PROFIT</b>		<u>768,905</u>		<u>361,098</u>

This page does not form part of the statutory financial statements