Opinion
We have audited the financial statements of Glenmark Pharmaceuticals Europe Limited (the 'company') for the year ended 31 March 2024 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 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 director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the director's assessment of the entity's ability to continue to adopt the going concern basis of accounting included, knowledge of the company and its industry, company's current and projected cash flows, inherent risks to the company's business model and analysis of risks which might affect the company's financial resources or ability to continue operation over the going concern period.

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, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Other information
The director is responsible for the other information. The other information comprises the information in the Strategic Report, the Report of the Director and the Statement of Director's Responsibilities, 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 Director 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 Director 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 Director.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director
As explained more fully in the Statement of Director's Responsibilities set out on page five, the director is 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 director determines 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 director 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 director either intends to liquidate the company or to cease operations, or has 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.

-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/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: ....

Glenmark Pharmaceuticals Europe Limited (Registered number: 05040260)

Profit and Loss Account
for the Year Ended 31 March 2024

	Notes	31.3.24 £	31.3.23 £
TURNOVER	4	100,662,321	75,173,921
Cost of sales		(71,456,404)	(48,412,897)
GROSS PROFIT		29,205,917	26,761,024
Administrative expenses		(25,047,134)	(23,325,758)
OPERATING PROFIT	7	4,158,783	3,435,266
Interest receivable and similar income	9	97,553	19,258
Interest payable and similar expenses	10	(1,617,687)	(1,269,408)
PROFIT BEFORE TAXATION		2,638,649	2,185,116
Tax on profit	11	(682,659)	(368,968)
PROFIT FOR THE FINANCIAL YEAR		1,955,990	1,816,148

All activities of the company are from continuing operations

The notes on pages 14 to 27 form part of these financial statements

Glenmark Pharmaceuticals Europe Limited (Registered number: 05040260)

Statement of Comprehensive Income
for the Year Ended 31 March 2024

	Notes	31.3.24 £	31.3.23 £
PROFIT FOR THE YEAR		1,955,990	1,816,148
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,955,990	1,816,148

The notes on pages 14 to 27 form part of these financial statements

Glenmark Pharmaceuticals Europe Limited (Registered number: 05040260)

Balance Sheet
31 March 2024

		31.3.24		31.3.23	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	12		4,234,724		4,939,004
Tangible assets	13		110,267		127,611
Investments	14		555,415		555,415
			4,900,406		5,622,030
CURRENT ASSETS					
Stocks	15	19,420,658		15,522,689	
Debtors	16	24,277,206		34,426,416	
Cash at bank and in hand		19,900,811		16,696,436	
		63,598,675		66,645,541	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	17	(50,459,652)		(56,184,132)	
NET CURRENT ASSETS			13,139,023		10,461,409
TOTAL ASSETS LESS CURRENT LIABILITIES			18,039,429		16,083,439
CAPITAL AND RESERVES					
Called up share capital	19	6,285,121		6,285,121	
Retained earnings	20	11,754,308		9,798,318	
SHAREHOLDERS' FUNDS	22		18,039,429		16,083,439
			18,039,429		16,083,439

The financial statements were approved by the director and authorised for issue on 3 June 2024 and were signed by:

Oliver Henry Bourne - Director

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	6,285,121	7,982,170	14,267,291
Changes in equity			
Total comprehensive income	-	1,816,148	1,816,148
Balance at 31 March 2023	6,285,121	9,798,318	16,083,439
Changes in equity			
Total comprehensive income	-	1,955,990	1,955,990
Balance at 31 March 2024	6,285,121	11,754,308	18,039,429

The notes on pages 14 to 27 form part of these financial statements

1. STATUTORY INFORMATION

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

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.

2. STATEMENT OF COMPLIANCE

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.

3 (A). 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 the financial statement, the director has a reasonable explanation that the company has adequate resources to continue in operational existence for the foreseeable future. The director has prepared the financial statements on the going concern basis as the director does not intend to liquidate the company or to cease its operations, and as it is concluded that the company's financial position means that this is realistic. Director has also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("The going concern period").

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.

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3(A). **ACCOUNTING POLICIES - continued**

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.

Revenue represents net invoice value including fixed and variable consideration. Variable consideration arises on the sale of goods as a result of discounts and allowances given and accruals for estimated future returns and rebates. Revenue is not recognised in full until it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. Once the uncertainty associated with the returns and rebates is resolved, revenue is adjusted accordingly.

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.

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

Research & Development revenue is recognized when it is probable that the economic benefits associated with the Research & Development activities will flow to the entity and revenue from R&D activities is measured at the fair value of consideration received or receivable.

Goodwill

At initial measurement, the Goodwill is recognized at cost, being the excess of the cost of business combination over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities recognized.
After initial recognition, Goodwill acquired in business combination is measured at cost less accumulated depreciation and accumulated impairment losses.
Goodwill is being amortised over the useful life, not exceeding 10 years and also reviewed for impairment at the end of the financial year following each acquisition and as and when necessary, if circumstances emerge that indicate that the carrying value may not be recoverable.

Product registration (intangible fixed assets)

Product registration relating to the new and improved products and/or process development is recognised as an intangible asset to the extent that such asset will generate future economic benefits.

Product registration is reviewed annually for impairment or whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

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

Product registration in progress reflect development costs for the products which are not launched at the year end and therefore these assets have not been amortised.

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3(A). **ACCOUNTING POLICIES - continued**

Computer Software
Software fees is amortised over a period of 5 years.

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.

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 in subsidiaries
Investments in subsidiary undertakings are recognised at cost.
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.

Interest Income
Interest income is recognised using the effective interest method and dividend income is recognised as the company's right to receive payment is established.

Interest Expenses
Interest expense is typically recognized as an expense in the income statement when it accrues, i.e., over the period of time that the borrowing is outstanding. The initial recognition of interest expense is based on the effective interest method, which considers any transaction costs, fees, and premiums or discounts associated with the borrowing.

Provisions for Liabilities
Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefits, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and Loss Account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

Provision is made for credit notes based on the expected level of returns which is based on the historical experience of returns.

Stocks - inventories (finished goods)
Inventories are valued at cost or net realisable value, whichever is lower.

Cost of inventories is determined on a weighted moving average basis. Cost of inventories include the cost of purchases, and other related costs incurred in bringing the inventories to their present location and condition.

 continued...

3(A). **ACCOUNTING POLICIES - continued**

Stocks - inventories (finished goods)
Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Inventories which are either expired or going to be expired within the next six months, its net realizable value is estimated to be nil and the resulting reduction in the carrying value of inventories is charged in the profit or loss. The factors that the Company considers in determining the allowance for slow moving, obsolete and other non-saleable inventory includes estimated shelf life, planned product discontinuances, damaged products, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company’s business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

As at the end of each reporting period, inventories are assessed for impairment. Assessment is made by comparing the carrying amount of inventory with its selling price less costs to sell and If inventory is impaired, carrying value is reduced to its selling price less costs to sell. The reduction is an impairment loss and recognized immediately in the profit or loss. When the circumstances that previously caused inventories to be impaired no longer exist or when there is clear evidence of an increase in selling price less costs to complete and sell because of changed economic circumstances, the amount of the impairment charged is reversed (i.e. the reversal is limited to the amount of the original impairment loss) so that the new carrying amount is the lower of the cost and the revised selling price less costs to complete and sell.

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

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

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.

 continued...

3(A). **ACCOUNTING POLICIES – continued**

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.

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 Liabilities
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 recognized in the statement of changes in equity.

Taxation
Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

(i) Current tax
Current tax is the amount of tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

continued...

3(A). **ACCOUNTING POLICIES - continued**
Taxation – continued

(**ii) deferred tax**
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.

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.

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 Profit and Loss Statement 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.

3(B). **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

While applying accounting policies described in note 3(A), the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that may not be apparent and readily available from other sources. Estimates and assumptions are based on past experience and any other relevant factors,
Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.
Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period. The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Key sources of estimation uncertainty
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 refer Accounting Policies for the useful economic lives for each class of assets.

continued...

3. ACCOUNTING POLICIES - continued

Stock Provision
The company assesses the value of stock for any impairment at the end of each reporting period. Management considers factors including the length of time stock has been held, batch expiry dates, historical experience of sales and orders held. See note 15 for the net carrying amount of stock and associated impairment provisions.

Bad Debt Provision
The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the aged profile of debtors and historical experience and external market information. See note 16 for the net carrying amount of debtors and associated impairment provisions.

Accruals and Rebate
Gross turnover is reduced by rebates, discounts, allowances and product returns given or expected to be given, which vary by product arrangements and buying groups. These arrangements with purchasing organisations are dependent upon the submission of claims sometime after the initial recognition of the sale. Accruals are made at the time of sale for the estimated rebates, discounts or allowances payable or returns to be made, based on available market information and historical experience. Because the amounts are estimated they may not fully reflect the final outcome, and the amounts are subject to change depending upon, amongst other things, the types of buying group and product sales mix. The level of accrual for rebates and returns is reviewed and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. Market conditions are evaluated using wholesaler and other third-party analyses, market research data and internally generated information. Revenue is not recognised in full until it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Future events could cause the assumptions on which the accruals are based to change, which could affect the future results of the Company.

4. 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:

	31.3.24	31.3.23
	£	£
Sales of goods	91,612,324	67,427,493
Services	9,049,997	7,746,428
	100,662,321	75,173,921

An analysis of turnover by geographical market is given below

	31.3.24	31.3.23
United Kingdom	81,969,302	60,145,482
Rest of World	18,693,019	15,028,439
	100,662,321	75,173,921

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

continued...

5. EMPLOYEES AND DIRECTORS

	31.3.24	31.3.23
	£	£
Wages and salaries	10,953,074	9,489,870
Social security costs	1,387,329	1,364,832
Other pension costs	566,980	482,716
	12,907,383	11,337,418

The average monthly number of employees during the year was as follows:

	31.3.24	31.3.23
Management and administrative	66	71
Sales	23	23
	89	94

6. DIRECTOR'S EMOLUMENTS

	31.3.24	31.3.23
	£	£
Director's remuneration	326,188	315,816
Director's pension contribution to money purchase schemes	17,507	16,751
	343,695	332,567

The number of directors to whom the retirement benefits were accruing:

Money purchase schemes	1	1

7. OPERATING PROFIT

The profit/loss before tax is stated after charging:

	31.3.24	31.3.23
	£	£
Operating leases-Office Rent	438,188	556,782
Car Lease	31,190	27,174
Depreciation-owned assets	57,094	61,731
Amortisation -Product registration cost	349,510	588,476
Amortisation of Computer software	163,288	192,021
Amortisation of Goodwill (Included within administrative expense)	301,470	301,470
Provision for Doubtful debts	-	609,995
Provision for Impairment of Intangibles Assets	-	1,009,064
Research and development expenditure	1,912,766	2,035,497
Impairment on stock (Included within cost of sales)	1,830,592	2,173,757
Foreign exchange (Gain)/loss	819,240	478,125

continued...

8. AUDITORS' REMUNERATION

	31.3.24	31.3.23
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	22,200	22,200
Tax and other services	8,000	10,800
	30,200	33,000

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	31.3.24	31.3.23
	£	£
Interest on loan given to intercompany	64,982	19,258
Interest on treasury deposits	32,571	-
	97,553	19,258

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.3.24	31.3.23
	£	£
Interest on Loan from Group Company	1,318,089	1,125,021
Interest expenses on factoring facility	299,598	144,387
	1,617,687	1,269,408

continued...

11. TAXATION

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

	31.3.24	31.3.23
	£	£
Current tax:		
UK corporation tax	1,140,842	368,968
Total current tax (i)	1,140,842	368,968
Deferred tax		
Origination of timing differences (Refer note -16)	(458,183)	-
Total deferred tax (ii)	(458,183)	-
Tax on profit (i+ ii)	682,659	368,968

Factors affecting the tax charges
The differences are explained below:

	31.3.24	31.3.23
	£	£
Profit before tax	2,638,649	2,185,116
Profit on ordinary activities multiplied by the standard rate of corporate tax in UK of 25 % (2023-19%)	659,662	415,172
Effects of:		
Capital allowances in excess of Depreciation	-	(18,855)
Depreciation in excess of capital allowances	61,644	-
Expenses not deductible for tax purposes	12,882	6,414
Research & Development relief	(51,529)	(33,763)
Current tax charge	682,659	368,968

 continued...

12. INTANGIBLE FIXED ASSETS

	Goodwill £	Product registration in progress £	Product registration £	Computer software £	Totals £
COST					
At 1 April 2023	3,014,701	707,751	13,254,535	1,013,039	17,990,026
Additions	-	145,632	-	-	145,632
Disposals	-	(35,644)	-	-	(35,644)
At 31 March 2024	3,014,701	817,739	13,254,535	1,013,039	18,100,014
AMORTISATION					
At 1 April 2023	602,940	231,687	11,381,047	835,348	13,051,022
Amortisation for year	301,470	-	349,510	163,288	814,268
At 31 March 2024	904,410	231,687	11,730,557	998,636	13,865,290
NET BOOK VALUE					
At 31 March 2024	2,110,291	586,052	1,523,978	14,403	4,234,724
At 31 March 2023	2,411,761	476,064	1,873,488	177,691	4,939,004

13. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 April 2023	150,473	584,122	391,275	1,125,870
Additions	6,800	-	32,950	39,750
At 31 March 2024	157,273	584,122	424,225	1,165,620
DEPRECIATION				
At 1 April 2023	143,438	583,645	271,176	998,259
Charge for year	2,260	286	54,548	57,094
At 31 March 2024	145,698	583,931	325,724	1,055,353
NET BOOK VALUE				
At 31 March 2024	11,575	191	98,501	110,267
At 31 March 2023	7,035	477	120,099	127,611

continued...

14. FIXED ASSET INVESTMENTS

	Total
	£
Investments in shares of Glenmark Generics SA, Argentina	
COST	
At 1 April 2023	
and 31 March 2024	555,415
NET BOOK VALUE	
At 31 March 2024	555,415
At 31 March 2023	555,415

15. STOCKS

	31.3.24	31.3.23
	£	£
Finished Goods	19,420,658	15,522,689

During the year £1,830,592 (2023: £ 2,173,757) was recognised as an expense in Profit & Loss account in respect of the write down of inventory to net realisable value.

16. DEBTORS

	31.3.24	31.3.23
	£	£
Amounts falling due within one year:		
Trade debtors*	6,373,332	18,025,052
Amounts owed by group undertakings	17,054,548	15,876,529
Other debtors	15,000	154,899
Prepayments	376,143	369,936
Deferred Tax Asset **	458,183	-
	24,277,206	34,426,416

*Trade Debtors are stated after provisions for impairment of £ Nil (2023: £ 609,995)

** Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets. Details of the deferred tax assets, amounts recognised in profit or loss are as follows:

	31.3.2023	(income) recognised in profit or loss	31.3.2024
	£	£	£
Deferred tax assets in relation to:			
Provision on Inventory	-	(458,183)	(458,183)
	-	(458,183)	(458,183)

continued...

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.24	31.3.23
	£	£
Trade creditors	2,362,519	1,078,257
Amounts owed to group undertakings*	37,122,313	36,922,561
VAT Payable	1,422,052	4,456,500
Social security & other taxes	387,212	306,499
Other creditors	71,335	57,816
Corporation tax	953,367	326,501
Accrued expenses	8,140,854	13,035,998
	50,459,652	56,184,132

*It includes interest bearing borrowings from the Group Company amounting to £ 27,738,454 (2023: £ 27,174,364).

18. OPERATING LEASES COMMITMENTS

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

	Land and Buildings		Vehicle	
	2024	2023	2024	2023
	£	£	£	£
within one year	542,000	655,042	21,666	23,712
between one and five years	1,744,736	2,423,655	8,145	27,258
in more than five years	-	-	-	-
	2,286,736	3,078,697	29,811	50,970

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.24 £	31.3.23 £
6,285,121	Ordinary Shares	£ 1	6,285,121	6,285,121

20. RESERVES

	Retained earnings £
At 1 April 2023	9,798,318
Profit for the year	1,955,990
At 31 March 2024	11,754,308

continued...

21. ULTIMATE PARENT COMPANY

Glenmark Pharmaceuticals Limited (incorporated in India) is regarded by the director 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, wherein the ultimate parent company prepares consolidated financial statements which are publicly available.

22. PREVIOUS YEAR FIGURES

The previous year figures have been rearranged/regrouped/reclassified, wherever considered necessary to facilitate comparison with current year figures.